



FY 2011—2013 TRIENNIAL PERFORMANCE AUDIT OF IMPERIAL COUNTY TRANSPORTATION COMMISSION

SUBMITTED TO:

Imperial County Transportation Commission

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SUBMITTED BY:



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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) 2010–2011 through 2012–2013. ICTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding. TDA funds are expended for ICTC administration and planning of public transportation, and distribution to local jurisdictions for operations of public transit systems and bicycle and pedestrian projects.

This performance audit is intended to describe how well ICTC is meeting its administrative and planning obligations under the TDA, as well as its organizational management and efficiency as a regional transportation entity. To gather information for the TDA performance audit, 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 accomplished many of its objectives as a regional planning entity and built good relationships with key partners such as Caltrans while maintaining ongoing communication with its member local jurisdictions. With significant growth in Imperial County over the past decade, as evidenced by the 2010 Census figures, it is recognized that ICTC should 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 relatively minor aspect. For the requirement that ICTC submit the triennial performance audit to Caltrans, it must certify in writing to Caltrans that all audits have been completed. While the performance auditor is confident that ICTC has submitted the prior performance audits to Caltrans, it should have a copy on file of the final cover letter accompanying the submittal.
3. With the creation and transition to an independent transportation commission in January 2011, ICTC staffing levels have been augmented in recent years in order to meet the demands and expanded responsibilities of a multidisciplinary transportation planning agency. ICTC staff transitioned to “official” employment with the independent transportation commission, which included establishing a salary and benefits structure as well as addressing and developing human resource and employment-related materials.

4. Of the four prior audit recommendations, two have been fully implemented, one was not applicable during the audit period, and another has not yet been implemented. The prior recommendation not yet implemented is for ICTC to update its TDA claims form to simplify and enhance its usability.
5. Stakeholders that were interviewed for this audit, including ICTC Commissioners and public agency staff and citizens who serve on an ICTC committee, were satisfied with ICTC's activities, responsiveness, and direction being taken toward regionalism. Its independence and the presence of an Executive Director have improved the perception that the agency serves all member jurisdictions in a fair manner. In part as a consequence of the Commissioners' strong confidence with staff recommendations on projects, it was suggested during the interviews that Commissioners be encouraged to further discuss projects prior to voting including fully digesting the decision-making process conducted through the ICTC standing committees.
6. A core activity held annually by ICTC is the Strategic Planning Workshop. The intent of the workshop is to identify, discuss, and prioritize core activities at ICTC. The strategic planning process conducted during the audit period represented the first time that Commission decision-makers have been asked to provide direction for the organization's overall focus.
7. Significant work includes adoption of the Short Range Transit Plan, completion of the Imperial Valley region's update of the transportation improvement program that includes key regional projects, completion of the Brawley Bypass, initiation of work with ICTC member agency staff, and achievement of grantee status with the Federal Transit Administration (FTA), the California Department of Transportation (Caltrans), and the Federal Highway Administration (FHWA) for eligibility and receipt of state and federal transportation funds.
8. The Transit Planning and Program Management portion of the ICTC Overall Work Program has incorporated the former annual Transit Finance Plan that provides the annual budget and planned expenditure commitments for each of the transit operators, including regional services and those provided by the local cities. ICTC designs a detailed funding table of federal, state, and local grants and revenues it receives for public transit.
9. ICTC continues to conduct the annual unmet transit needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). ICTC staff make an effort to educate Commissioners on the unmet needs hearings that have resulted in greater awareness and reception of the outcomes by the Commission.
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 as taking action to preserve transit service, demonstrates the agency's active role in providing oversight of TDA-funded transit services. In addition, ICTC

staff utilize additional proactive monitoring techniques including in-person on-board observations for the ICTC 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 has been twofold: (1) creating a new independent ICTC website that provides easy access to its member agencies, key stakeholders, and the general public; and (2) creating separate new websites for IVT and IVT Access. All website materials are bilingual.
12. ICTC's success in obtaining grants has resulted in several significant transit projects including acquisition of new bus vehicles, construction of transfer terminals in El Centro and Brawley and at Imperial Valley College, and increased security assets at bus facilities.

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

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

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

2. Maintain final records of key submittals including TDA performance audit.

As a compliance measure requiring that ICTC submit the triennial performance audit to Caltrans, it must certify in writing to Caltrans that all required audits have been completed. While the performance auditor is confident that ICTC has submitted the prior performance audits to Caltrans, it should have a copy on file of the final cover letter accompanying the submittal as evidence of the date of submittal and what documents were submitted.

3. Implement the State Transit Assistance efficiency test.

As a carryover from the prior performance audit, under PUC Section 99314.6, before any STA funds can be used for operations, ICTC must conduct a test using a formula to determine the operator's year-over-year growth in cost per revenue hour or average three-year change. With the state legislative exemption from this provision expiring in FY 2014–15, the Commission should conduct the efficiency test beginning in FY 2015–16. ICTC

currently allocates all STA funds for the operation of IVT Access ADA paratransit service. Typically this test is conducted during the TDA claims process before funds are approved and distributed for their intended expenditures. Alternatively, ICTC could request that the IVT fiscal auditor conduct the verification as part of the annual fiscal and compliance audit.

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

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

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

5. Update the blended farebox recovery ratio for IVT.

Historically, ICTC updates the required farebox recovery ratio and submits to Caltrans every three to five years. ICTC develops a calculation method to integrate rural and urban service areas into the formula to derive a ratio for IVT. With recent operational changes to service such as with ADA paratransit, there may be opportunity to review options for the farebox ratio. In one example, the Public Utilities Code has provisions that allow a transit system to incorporate both fixed-route and specialized service farebox ratios under one combined ratio. The combined farebox ratio of fixed-route and ADA paratransit service must meet the farebox ratio of the fixed route alone. For IVT, it is the blended ratio developed and adopted by ICTC for fixed route that is then submitted to Caltrans. With the lower IVT Access farebox recovery ratio, IVT fixed route would be required to generate a higher farebox ratio on its own to compensate for the inclusion of the ADA service ratio. In this manner, rather than meeting two separate farebox standards, the transit system would be subject to one. ICTC adopted a new farebox ratio which took effect after the audit period, but should consider further options.

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) 2010–2011 through 2012–2013. ICTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding.

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

Overview of Imperial County and ICTC

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

Table I-1
Imperial County Demographics

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census Percentage	Population 65 Years & Older Percentage	Land Area (in square miles)
Brawley	24,953	+13.1%	10.05%	7.68
Calexico	38,572	+42.5%	11.43%	8.39
Calipatria	7,705	+5.7%	4.65%	3.72
El Centro	42,598	+11.4%	10.70%	11.08
Holtville	5,939	+5.8%	12.26%	1.15
Imperial	14,758	+91.8%	6.48%	5.86
Westmorland	2,225	+3.4%	11.24%	0.59
Total Imperial County	174,528	+22.6%	10.40%	4,176.60

Source: 2010 US Census

The city of El Centro is the county seat and the largest city in Imperial County. The county and its incorporated cities saw notable growth between the 2000 and 2010 US Census, in particular in the cities of Calexico and Imperial. The senior citizen population, comprising residents aged 65 and over, is 10.4 percent countywide. The 2014 population for Imperial County is estimated to be 180,672 as reported by the California Department of Finance. The population of El Centro

is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

In 2012, an estimated 40,000 people crossed daily into the United States from Mexico through the US Customs and Border Protection Agency's two busiest land ports of entry between Imperial County and Mexicali: Mexico at Calexico West/Mexicali I and Calexico East/Mexicali II (by car and as pedestrians).

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

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

As established under SB 607, the ICTC Board is currently composed of ten voting members and one non-voting member. The voting members include two members of the Imperial County Board of Supervisors, one member from each incorporated city (seven) within Imperial County who is the mayor of the city or a member of its city council, and one member of the Board of Directors of the Imperial Irrigation District. The non-voting member is appointed by the Governor representing Caltrans. In the future, the ICTC Board may also include the following ex-officio or non-voting members: one member representing the State of Baja California, Mexico, who may be appointed by the governor of the state; one member representing the municipality of Mexicali, Mexico, who may be the mayor or his or her designee; one member representing the Consul of Mexico in Calexico, California, who may be the consul or his or her designee; and one member representing any federally recognized Native American tribe in Imperial County.

In its capacity as a Regional Transportation Planning Agency (RTPA) for TDA administration, ICTC administers and allocates TDA revenues to eligible claimants, including transit operators and local jurisdictions for bicycle and pedestrian projects. Among its planning responsibilities, ICTC is required to develop and approve a five-year transportation improvement program as well as

a short-range transit plan. In addition, ICTC plans and programs local and regional transportation projects for funding and coordination with SCAG's regional programs.

ICTC's TDA appropriations for administration of the program and planning during the fiscal years addressed by this audit ranged from \$374,975 in FY 2010–11, to \$502,336 in FY 2011–12, to \$484,378 in FY 2012–2013.¹ Regional transit planning continues to be a significant part of the ICTC work program including development and implementation of intracity transit circulators, reduction of bus headways, and transition to an alternative-fuel transit fleet.

Role and Structure of ICTC

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

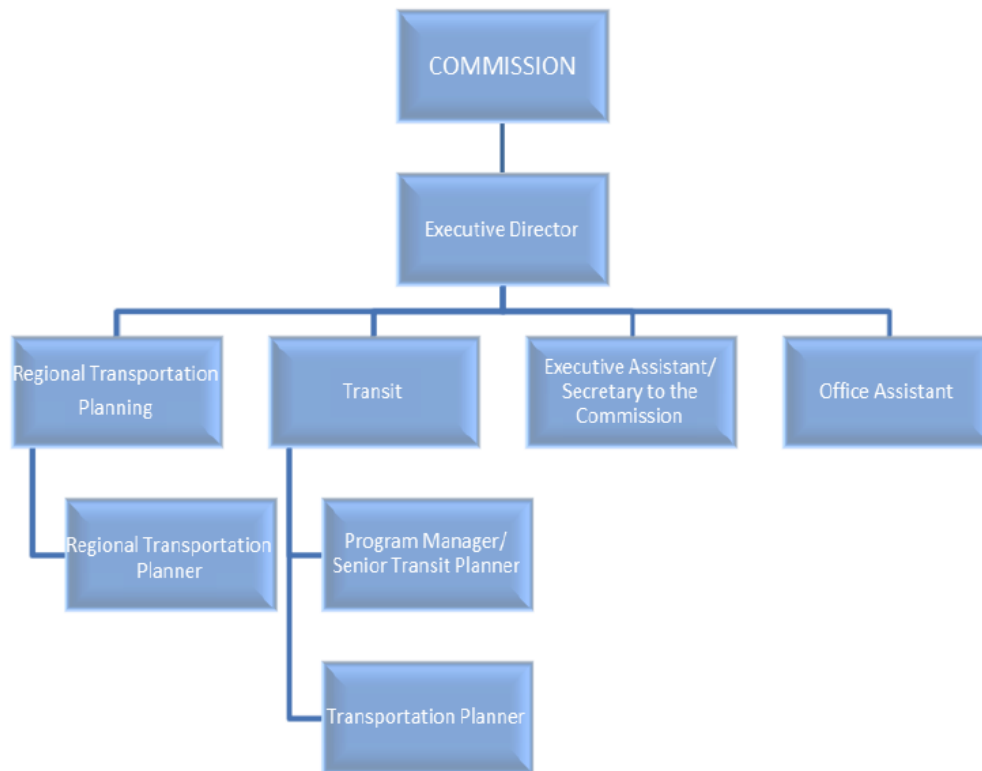
- Development of the Long-Range Transportation Plan Update for Imperial County
- Development of the Short Range Transit Plan that guides transit investment
- Development of regional, state, and federal transportation improvement programs (TIPs) and their updates
- Provision of liaison services with external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

During the audit period, the ICTC Overall Work Plan and Budget reflect staffing of five full-time positions and one temporary office assistant to manage the agency's programs and services. The full-time positions include the Secretary/Clerk to the Commission, three transportation/transit planner positions from entry level to senior level in classifications responsible for Regional Transportation Planning and Programming plus Transit Planning,

¹ ICTC TDA appropriations for FYs 2011–2013 as shown in Annual Disbursement Schedule.

Programming and Administration, and the Executive Director position. The following organization chart shows the staffing positions and structure.

Figure I-1 Staff Organizational Structure



Source: ICTC OWP and Budget

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

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

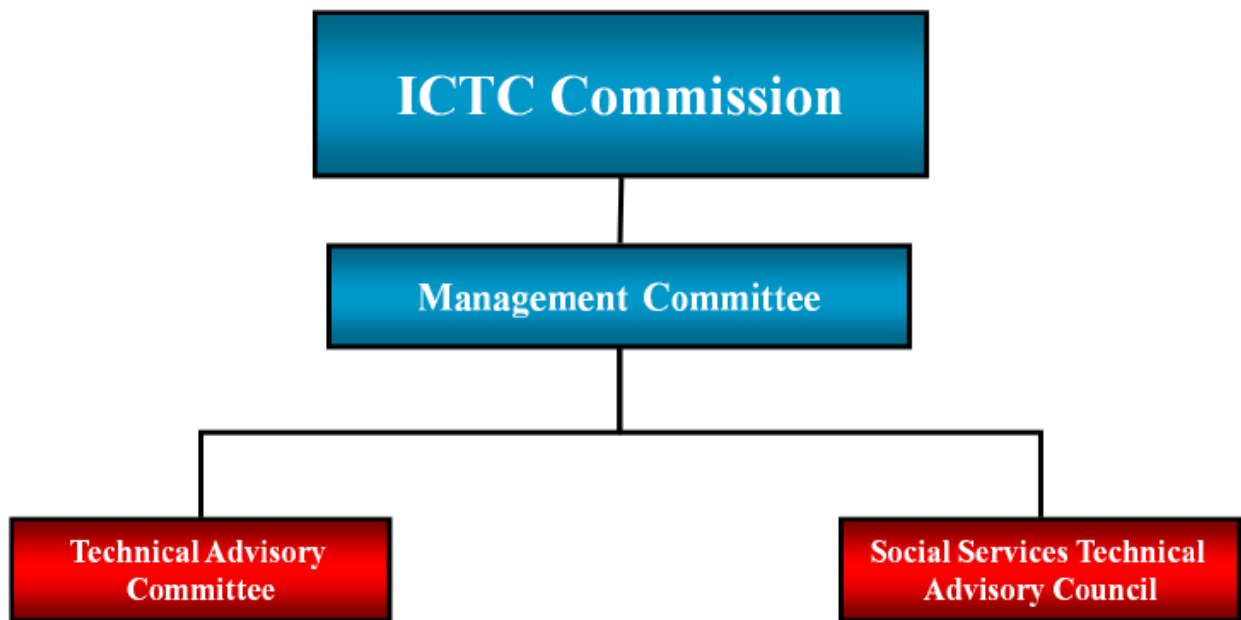
Social Services Transportation Advisory Council (SSTAC): The SSTAC is statutorily created (PUC Section 99238) to serve a broad representation of youth, students, elderly, disabled persons, persons of limited means, social service agencies, the transit dependent, and transit providers. The three tenets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

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

ICTC has the option of creating special purpose committees as the need arises. These include the Americans with Disabilities Act Advisory Committee, which meets on an as-needed basis, and the Imperial-Mexicali Bi-National Workgroup that generally meets on a bimonthly basis.

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

Figure I-2 ICTC Committee Structure



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 during the audit period consists of ten systems, some of which are operated by the same contract provider. Separate performance audits of the public transit systems are provided under separate cover. Each service is described briefly below (adapted from the OWP), and services are separated between regional public transit services and individual agency services.

Regional Public Transit Services

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

Imperial Valley Transit – Blue/Green Lines: This transit system is an extension of IVT. The intracity system operates utilizing smaller buses and connects to the public facilities and services that are not currently served by the larger bus system. There are timed transfer points at 14th and State streets in El Centro for passengers to transfer to and from both bus systems. A transfer terminal to facilitate synchronized transfers between modes was recently opened in El Centro. The service is subsidized and administered by ICTC and operated by First Transit, Inc. (Note: The IVT Gold Line commenced service in Brawley after the audit period.)

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

Yuma County Area Transit (YCAT) Turquoise Route 10: In the spring of 2012, ICTC was approached by the Quechan Indian Tribe and the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) to form a partnership to provide increased public transit services to eastern Imperial County residents and the Quechan Indian Tribe of the Fort Yuma Indian Reservation. As a result of the collaboration, the Turquoise Route 10 was created as a demonstration service and implemented January 1, 2013. The route provides service three days a week, Monday, Wednesday, and Saturday, with two round trips daily, one in the morning and one in the afternoon. The route operates between Yuma and El Centro with stops in Winterhaven and the Fort Yuma Indian Reservation and casinos.

The service is operated by the Yuma County Transit Agency (YCAT). The service is funded by a State Tribal Transit Grant and ICTC TDA funds. Being a fairly new service, it is in a “demonstration” phase and provides service to eastern Imperial County residents who require

regular access to local government offices, medical services, and commercial retail opportunities in El Centro.

Med-Express: Med-Express is a nonemergency medical transportation service between communities in Imperial County and the large hospitals and medical facilities in San Diego County. Demand response service is provided four days a week, with three pickup spots in Brawley, El Centro, and Calexico. Pickup service is available on a limited basis from the home for an additional fare. The service is designed to provide persons with disabilities and low-income and transit-dependent persons access to medical facilities and services not available within Imperial County; for example, to Children’s Hospital in San Diego. The service is subsidized and administered by ICTC and operated by ARC-Imperial Valley, a local private nonprofit transportation carrier.

Individual Agency Public Transit Services

Brawley Dial-A-Ride: Brawley Dial-A-Ride is a demand-response transit service in Brawley. The service transports passengers within the city limits as well as to the San Diego State University Imperial Campus located 1 mile east of the city. Demand-response service is available to the general public and provided six days a week. The service is subsidized by ICTC, administered by the City of Brawley, and operated by Sunrise Driving Service, Inc., a local private transportation carrier.

Calexico Dial-A-Ride: Calexico Dial-A-Ride is a demand-response transit service in Calexico. Demand-response service is available to seniors and persons with disabilities and provided seven days a week. The service is subsidized by ICTC, administered by the City of Calexico, and operated by First Transit, Inc.

El Centro Dial-A-Ride: El Centro Dial-A-Ride is a demand-response transit service in El Centro. Demand-response service is provided six days a week for seniors and persons with disabilities. The service is subsidized by ICTC, administered by the City of El Centro, and operated by ARC-Imperial Valley.

Imperial Dial-A-Ride: Imperial Dial-A-Ride is a demand-response transit service in the city of Imperial. The service also operates between the city of Imperial and El Centro. Demand-response service is provided five days a week to seniors and persons with disabilities. The service is subsidized by ICTC, administered by the City of Imperial, and operated by ARC-Imperial Valley.

West Shores Roadrunner Dial-A-Ride: West Shores Roadrunner Dial-A-Ride is a demand-response transit service in Imperial County. The service operates in the communities on the west side of the Salton Sea. Demand-response service is available to the general public and provided two days a week. The service is subsidized and administered by ICTC and operated by ARC-Imperial Valley.

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 files and publications.

Interviews: PMC interviewed ICTC staff and Commissioners, 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
- 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
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>ICTC accounts for its claimants' areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area.</p> <p>ICTC develops an annual Transit Programs Finance Plan that includes an LTF distribution table identifying the level of funds available to both ICTC and the claimants. The Transit Programs Finance Plan is integrated as part of the Overall Work Program of ICTC and combines all transit funds and expenditures, including operations and capital.</p> <p>ICTC utilizes a formula based on population to determine each local jurisdiction's apportionments.</p> <p>Conclusion: Complied</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
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.	Public Utilities Code, Sections 99233.3 and 99234	<p>ICTC has an adopted set of policies governing the Article 3 Bicycle and Pedestrian Facilities Program. On an annual basis, ICTC sets aside 3 percent of LTF for bicycle- and pedestrian-related projects. Each year in September, the member agencies submit candidate projects that are approved by the ICTC Board. An application guideline is provided to each claimant that explains the rules and procedures for claiming the funds, including consistency with the Regional Bicycle Plan, and approval by the ICTC Board. Items to be filed include a checklist, Article 3 Non-Transit Claim Form, Financial Reporting Form, Project Information Form, Sample Governing Body Resolution, and Standard Statement of Assurances. According to the Transit Programs Finance Plans during the audit period, the annual allocation (excluding carryover) under this code section was \$129,000 in FY 2010–11, \$129,000 in FY 2011–12, and \$141,000 in FY 2012–13.</p> <p>Conclusion: Complied</p>
The RTPA has established a social services transportation	Public Utilities Code, Sections 99238 and 99238.5	The SSTAC meets monthly and participates on a number of

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.		<p>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 late winter/early spring at the County Board of Supervisors' Chambers in El Centro. The SSTAC participates in the identification of transit needs, reviews and recommends action, and provides advice and technical recommendations.</p> <p>Conclusion: Complied</p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> A committee for the purpose of providing advice on productivity improvements may be formed. 	Public Utilities Code, Section 99244	<p>ICTC uses several means to identify and recommend productivity improvements. ICTC staff collect transit performance data from the transit operators on a quarterly basis to provide current and 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 (SRTTP).</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<ul style="list-style-type: none"> The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation. 		<p>The 2011 SRTP reviewed the transit operators' performance and provided recommendations for improvement.</p> <p>ICTC staff also conduct independent checks of bus performance through ride-alongs. Staff complete an Operator Observation Form rating the bus driver and services provided to the passengers. Deficiencies are noted and shared with the operator for improvement. ICTC has also commissioned TDA performance audits of all public transit operators. The findings and recommendations from these performance audits contribute to ICTC's compliance with this measure.</p> <p>In addition, the annual TDA claims forms include a section for Productivity Improvement Statement enabling the transit agency to describe recommendations received and the status of implementing those recommendations.</p> <p>While ICTC has not established a committee for</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>the purpose of providing advice on productivity improvements (e.g., transit operators committee), the SSTAC and TAC could serve in some capacity.</p> <p>Conclusion: Complied</p>
<p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	Public Utilities Code, Section 99245	<p>ICTC requires that each transit claimant for LTF and STA include a copy of their 180-day fiscal compliance audit with the claim. The TDA forms provide a check-off for certification of the fiscal audit and submittal to the State Controller.</p> <p>Should a claimant fail to submit a timely copy of the fiscal compliance audit, ICTC has the authority to withhold funds until the audit is submitted.</p> <p>Conclusion: Compliance</p>
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that</p>	Public Utilities Code, Sections 99246 and 99248	<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>PMC was retained to conduct the previous audit for the three fiscal years that ended June 30, 2010.</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
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.		Conclusion: Complied
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.	Public Utilities Code, Section 99246(c)	<p>ICTC submitted the completed triennial performance audits to Caltrans. However, a final cover letter accompanying the audits to Caltrans was not available to verify the date of submittal and certify in writing that all performance audits were completed, although ICTC indicated a draft letter was written and dated October 11, 2011.</p> <p>It is suggested that ICTC maintain and file the final letter verifying the submittal of the performance audits to Caltrans and also certifying in writing that the performance audits of operators located in the area under its jurisdiction have been completed.</p> <p>Conclusion: Partial Compliance</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.	Public Utilities Code, Section 99246(d)	The separate performance audits of the operators providing public transportation services include the required verification of performance measures and analyses. Conclusion: Complied
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Public Utilities Code, Sections 99270.1 and 99270.2	ICTC instituted 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. The approved method is based on projected service

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>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>ICTC's predecessor, IVAG, and Caltrans have historically reviewed the blended farebox ratio every five years. Due to results of the 2010 Census, subsequent federal urbanized grant apportionments, and expansion of IVT service, ICTC adopted a revised ratio in May 2013. The revised ratio is effective for three years which is beyond the current audit period.</p> <p>Conclusion: Complied</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.	Public Utilities Code, Section 99275.5	<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

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>requiring special transportation assistance.</p> <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	<p>ICTC allocates State Transit Assistance (STA) funds for transit services only. During the audit period, funds were used to support regional ADA service as well as IVT fixed-route service.</p> <p>Conclusion: Complied</p>
The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	Public Utilities Code, Section 99314.3	<p>STA funds under this section are allocated to support regional ADA service as well as IVT fixed-route service.</p> <p>Conclusion: Complied</p>
If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or	Public Utilities Code, Section 99401.5	<p>ICTC conducts the annual unmet transit needs process and hearing in consultation with the SSTAC. One of the</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>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"; • 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</p>		<p>SSTAC's primary responsibilities is to advise ICTC on existing public transportation needs.</p> <p>Annually during the late winter/early spring, the SSTAC delivers letters regarding transit needs to the Unmet Transit Needs Hearing Panel, which is a subcommittee of ICTC and comprises elected officials.</p> <p>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. Discussions with SSTAC members indicate that the number of unmet needs has diminished over time as ICTC has been able to fulfill many requests. This is a positive indicator of the process.</p> <p>The SSTAC also meets monthly or as needed and</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
streets and roads.		<p>reviews and evaluates services and needs throughout the year.</p> <p>LTF funds are no longer allocated to streets and roads.</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>	California Administrative Code, Section 6662	<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 2010–11 through 2012–13.</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 relatively minor aspect. For the requirement that ICTC submit the triennial performance audit to Caltrans, it must certify in writing to Caltrans that all audits have been completed. While the performance auditor is confident that ICTC has submitted the prior performance audits to Caltrans, it should have a copy on file of the final cover letter accompanying the submittal. The cover letter should include the date of submittal to Caltrans as well as certification in writing of the completion of all performance audits.

With regard to the blended farebox ratio policy for IVT fixed-route service, the approved farebox ratio applicable to this audit period occurred in March 2010. ICTC's predecessor, IVAG, and Caltrans have historically reviewed the blended farebox ratio every five years. Due to results of the 2010 Census, subsequent federal urbanized grant apportionments, and expansion of IVT service, ICTC adopted a revised ratio in May 2013. The revised ratio is effective for three years which is beyond the current audit period. The revised ratio uses a new methodology that, according to ICTC, more accurately captures the measurement of the use of public transit services in Imperial Valley. The method is also consistent with the apportionment of federal grant revenues.

Section III

Responses to Prior Triennial Performance Audit Recommendations

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

Prior Recommendation 1

Develop an orientation program for ICTC board and committee members.

Actions Taken by ICTC

ICTC undertakes several means to orient its programs to ICTC Commissioners and standing committee members. The Executive Director informally schedules time as needed with Commissioners to review the Overall Work Program and Budget. The Executive Director and ICTC staff, in general, maintain an open door philosophy to meet and speak with any member wishing to understand ICTC activities.

Annual strategic plan workshops provide opportunities for staff and Commissioners to align their goals and expectations for the agency. Staff make presentations on transportation topics and budgeted activities to educate and inform Commissioners on the work program that the agency undertakes. Regular meetings of the SSTAC, TAC, and Management Committee provide additional opportunities for ICTC and its members to interact and discuss transportation issues affecting the region. Meetings are supplemented by staff reports that document the data and recommendations for decision-making.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Complete separate State Controller Reports for IVT general public transit and specialized service.

Actions Taken by ICTC

The State Controller transit report that must be filed each year by ICTC instructs 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...” During the triennial period, ICTC generated separate reports to the State Controller as required, one for general public service (IVT) and a second for specialized service for seniors and disabled persons (IVT Access). Copies of both reports were provided to the auditor as evidence of compliance with this recommendation.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Implement the State Transit Assistance efficiency test.

Actions Taken by ICTC

The State Transit Assistance (STA) efficiency test is required by TDA statute if STA funds are to be used for operations rather than capital expenditures. During the audit period, the passage of SB 565 (DeSaulnier) in September 2011 provided an extension to the exemptions from this test for transit systems. The exemption from the efficiency test under PUC Section 99314.6 was scheduled to expire in FY 2011–12, but SB 565 extended the date through FY 2014–15. Therefore, the exemptions applied during the entire audit period and ICTC was not required to apply the test to use STA funds for operations.

However, barring new legislation, the efficiency test is reinstated in FY 2014–15 which determines the operator’s year-over-year growth in cost per revenue hour or average three-year change. Typically this test is conducted during the TDA claims process before funds are approved and distributed for their intended expenditures. The ICTC TDA claims form currently includes the efficiency test in its Standard Assurances form. Alternatively, ICTC could request the fiscal auditor for IVT to conduct the verification as part of the annual fiscal and compliance audit. As ICTC currently allocates all STA funds for the operation of IVT Access, it should comply with conducting the test in the coming triennial cycle to continue using STA for operations.

Conclusion

This recommendation is not applicable during the audit period. However, with the provision expiring in FY 2014–15, ICTC should implement the State Transit Assistance efficiency test. Therefore, the recommendation is carried forward in this audit for implementation during the next triennial cycle.

Prior Recommendation 4

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

Actions Taken by ICTC

The current TDA claims forms were developed in January 2006. Staff has found the claims forms to be complex relative to the claims being made and the information that is required from the claimants. While staff desires a more streamlined claims form that would serve the agency better and should be revised as agency resources allow, the claims forms have not yet been revised due to other priorities and limited staff resources. Samples of alternative claims forms have been provided in prior performance audits for ICTC/IVAG for consideration once ICTC begins the revision.

Conclusion

The recommendation has not been implemented and is forwarded for full implementation to improve ICTC administration of the TDA.

Section IV

Detailed Review of ICTC Functions

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

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

Administration, Management, and Coordination

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

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

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

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

Transit Mission Statement:

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

Transit Vision Statement:

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

By these above statements, ICTC as a relatively young agency continues to administer and implement plans and programs that meet community needs and values.

During the audit period, ICTC completed many transitions to an independent agency, including the following:

- Developed and adopted the ICTC Bylaws.
- Completed the transfer of legal responsibilities from the Imperial Valley Association of Governments (IVAG) to ICTC.
- Achieved grantee status with the Federal Transit Administration (FTA), Caltrans, and the Federal Highway Administration (FHWA) for eligibility and receipt of state and federal transportation funds.
- Completed required audits, policies, and procedures for management of state and federal funds.
- Transferred administrative duties of the Local Transportation Authority (Measure D Sales Tax Program) to ICTC.
- Initiated and developed partnerships with Southern California transportation leaders located within the multicounty Southern California region of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, as well as with the Ports of Los Angeles and Long Beach, the San Diego Association of Governments, Caltrans, the California Transportation Commission, FTA, FHWA, the US Customs and Border Protection, and the General Services Administration.
- Launched a new ICTC website.

Staffing and Administration

ICTC staffing levels have been augmented in recent years in order to meet the demands and expanded responsibilities of a multidisciplinary transportation planning agency. The transition to an independent transportation commission resulted in a significant change in ICTC's staffing composition. One of the most important hires was a full-time Executive Director to manage the fully operational agency. 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 the Imperial region for many years on larger projects and conducting regional transportation modeling and coordination with SCAG.

The Executive Director is working with statewide and Southern California stakeholders to advocate and pursue future funding opportunities and transportation policies for the Imperial Valley. As part of this effort, the Executive Director represents the region with participation in statewide organizations such as the California Association of Councils of Government (CALCOG), Self-Help Counties Coalition (SHCC), and Mobility 21, and is a member of the Southern California Transportation CEO's monthly meetings. The CEO meetings include executives for the six county transportation commissions, SCAG, the US Department of Transportation agencies responsible for highways, transit, and maritime, Caltrans, and the Ports of Los Angeles and Long Beach. At the beginning of 2013, the Executive Director served as the chair for the CEO group for a year.

ICTC staff transitioned to "official" employment with the independent transportation commission, as opposed to operating under the County employment umbrella as was the case during the prior performance audit. The movement of staff from County employment status to the independent agency included establishing a salary and benefits structure, and addressing and developing human resource and employment-related materials. These materials are contained in the ICTC Personnel Policies and Procedures Manual that was developed during the audit period. ICTC contracts for payroll services and human resource functions, and continues to contract with the County for legal counsel. A salary survey was conducted to determine parity for positions that are more similar to those at transportation agencies. With these measures in place, ICTC filled several vacant positions for transportation planning, contract oversight, and administration.

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 former 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 Board's expansion in this manner recognizes the cross-border and tribal relations that ICTC may seek to further develop through these entities' contributions.

Several Board members were interviewed by telephone for this audit. Those interviewed expressed satisfaction with staff administration, responsiveness, and productivity, as well as the direction being taken by the agency. Its independence and the presence of an Executive Director have improved the perception that ICTC serves all member jurisdictions in a fair

manner, including the rotation of the chairmanship between small and large jurisdictions. These observations are made through development of a separate culture away from any one member. The Executive Director maintains relations with key partners including the League of Cities, Imperial Valley Economic Development Corporation, SCAG, and other state and federal agencies. Also, the annual strategic plan process among ICTC staff, its committees, and the Board has been helpful for the Board to receive information and provide guidance on regional activities that align with community goals and can be accomplished within budget constraints for the upcoming year.

Board members are aware of the impacts of the annual unmet transit needs process and attribute that process to ICTC being able to meet community transportation needs. Also, because ICTC is an independent agency created through state statute, Commissioners recognize the extended focus on regional transportation through work on cross-border transportation infrastructure, economic development, and the environment. Some Commissioners also acknowledge that while ICTC has a clear regional mission defined in state law that enables organizational efficiencies, a perceived drawback of this mission is that ICTC is limited in its consideration of other potential regional services that are not transportation related.

In part as a consequence of the Commissioners' strong confidence in staff recommendations on projects, it was suggested during the interviews that Commissioners be encouraged to further discuss projects prior to voting including fully digesting the decision-making process conducted through the ICTC standing committees. Whether the discussion is conducted outside of ICTC by a Commissioner and their staff member(s) that sit on the committees, or through one-on-one meetings with the ICTC Executive Director, good industry practice for holding public meeting discussions encourages Commissioners to debate the merits of projects before taking a vote.

Management Committee

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

Technical Advisory Committee

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

Interviews conducted with various city public works members of the TAC indicated positive responses to staff's capabilities, preparedness for TAC meetings, communications, and general working relations. Similar to Management Committee responses, the TAC members approve of the independent agency and the greater awareness of regional issues and transportation funding opportunities. They iterated ICTC's willingness and ability to assist when requested.

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 hearing panel, and the second letter provides a review of the panel's "findings."

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

Management and Coordination

Strategic Planning

A core activity held annually by ICTC is the Strategic Planning Workshop. The intent of the workshop is to identify, discuss, and prioritize core activities at ICTC. The strategic planning process conducted during the audit period represented the first time that Commission decision-makers have been asked to provide direction for the organization's overall focus. In order to facilitate that discussion, the participants engage in a number of exercises designed to

illuminate issues, stimulate discussion, and gain consensus. In the end, in one of the workshop sessions the participants agreed on five core priorities and developed a basis for constructing a core mission statement for the organization to synthesize the agreed-upon outcome.

The structured workshop program consisted of seven key elements.

1. Context Setting
2. Environmental Scan
3. Current Focus
4. Strengths/Weaknesses Analysis
5. Prioritizing Products and Services
6. Plan for Action
7. Mission Statement

The group agreed on the following core priorities and established a plan for action that identified responsible parties, timelines, and desired outcomes. The final listed ICTC priorities were:

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

The transition from IVAG to ICTC brought new challenges and issues as the newly created agency continues to mature. The Commission gave its approval for ICTC to be modeled after other fully operational county transportation commissions such as the Ventura County Transportation Commission, San Bernardino Associated Governments, and Riverside County Transportation Commission. The transition provided 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 for technical and funding assistance. Similar to SCAG, however, ICTC has plans for a general assembly-style meeting that broadens the inclusion and array of local and regional participants.

With greater autonomy, ICTC is able to further its regional coordination through more active participation with SCAG as a partner. ICTC staff is a member of SCAG's Subregional Plans and Programs Technical Advisory Committee and is part of the County Commission subgroup. Two ICTC Board members are also on the SCAG Regional Council, one currently serving as first vice president. Adding to this relationship is the SCAG Regional Council Districts in which members serve as liaisons between SCAG and the local agencies. This elevated participation has benefitted Imperial County and results in more active coordinated efforts to place important

projects into SCAG's Regional Transportation Plan. ICTC also serves as a representative on the San Diego Association of Governments (SANDAG) Borders Committee.

Transportation Planning and Programming

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

ICTC activities emphasize the implementation of the Regional Transportation Plan (RTP) and Sustainable Community Strategies (SCS) for Imperial County. ICTC and SCAG work in partnership with each of the cities and the county agencies to implement the strategies and projects identified in the RTP. Additionally, ICTC in participation with Caltrans and SCAG began development of the scope of work for a comprehensive update of the Imperial County Long Range Transportation Plan (LRTP).

ICTC continues efforts with SCAG and Caltrans District 11 to update the Imperial County Transportation Model. This regional transportation model is a critical planning tool for evaluating and prioritizing major transportation improvements in the county. Staff, local stakeholders, and Caltrans formed a partnership in the development of a project study report for the Forrester Road corridor from Interstate 8 (I-8) to State Route 78/86. Staff will also work to identify funding opportunities to pursue critical planning studies necessary for the Forrester Road corridor.

The work conducted and completed during the audit period includes the following:

- Completion and adoption of the Short Range Transit Plan (SRTP).
- Completion of the Imperial Valley region's update for the 2012 State Transportation Improvement Program (STIP) that includes two key regional projects—the Interstate 8/Dogwood Avenue Reconstruction and Bridge Widening, and the I-8/Imperial Avenue Interchange Reconstruction.
- Completion of the 2013 Regional Transportation Improvement Program (RTIP) that includes local road and state highway improvements throughout the region.
- Completion and approval of the Call for Projects for the federal-aid programs of the Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) for local road and pedestrian/bicycle transportation improvements.
- Completion of the Brawley Bypass, a major milestone for the regional highway network.
- Initiation of work with ICTC member agency staff, Caltrans, and SCAG for planning studies such as the Intracity Transit Circulator Study, the Calexico Intermodal Transportation Center Feasibility Study, and the California/Baja California Pedestrian and Bicycle Access Study.

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

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 all necessary steps toward implementing transfer of responsibilities on 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.

Overall Work Program

ICTC develops an annual Overall Work Program (OWP) and Budget that serves as the agency's planning and financial blueprint for the allocation of funds for tasks contained in the plan. In June 2010, the Board approved ICTC's first budget and work plan. The OWP is divided into three sections including the Budget Summary and the core programs of Regional Transportation Planning and Programming, and Transit Planning and Program Management.

The Transit Planning and Program Management portion of the OWP incorporates the former annual Transit Finance Plan that provides the annual budget and planned expenditure commitments for each of the transit operators, including regional 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. Additional information has been added such as accomplishments from the prior year, a description of funding sources, and an expanded financial plan.

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

TDA Claimant Relationships and Oversight

This functional area addresses ICTC’s 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 Planning and Program Management plan, between FYs 2010–2011 and 2012–2013, ICTC allocated between \$4.3 million and \$5.4 million in total Local Transportation Funds (LTF), including reserves. Over the same period, State Transit Assistance funds ranged from slightly over \$700,000 to close to \$1 million. 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 planning ranged from \$374,975 in FY 2011 to \$502,336 in FY 2012 to \$484,378 in FY 2013, excluding encumbrances. Increases in budgets were attributed to the agency’s need to keep up with its growing responsibilities, including the addition of administrative support costs, increases in 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 is 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.

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

Fiscal Year	LTF Claim*
2010–2011	\$374,975
2011–2012	\$502,336
2012–2013	\$484,378

* Excludes LTF carryover and reserves from prior years
Source: OWP Transit Planning and Program Management

In FY 2011, the amount claimed by ICTC for administration/operations/plan/programs equaled approximately 8.7 percent of Local Transportation Funds available to the County. In FY 2012, the amount claimed was 10.1 percent, and for FY 2013, the amount claimed was 9 percent. The planning portion from TDA funds was less than 3 percent in FYs 2011 and 2012, but over this amount in FY 2013. As a statutorily created transportation planning agency, ICTC should consider the TDA provision governing use of LTF for planning and programming by a RTPA which limits allocations up to 3 percent of annual LTF revenues for transportation planning and programming process (PUC Section 99233.2).

During the triennial audit period, ICTC commissioned several important studies and projects to further the transit program such as the update to the Short Range Transit Plan, a circulator design study for the IVT Gold, Orange, and Red Lines, and update to the IVtransit.com website.

Technical and Managerial Assistance to Operators

ICTC transit staff provides assistance to the operators as needed. Assistance has been provided in a number of instances, including helping fill out and process TDA claims, and leading coordination efforts among the regional and local transit services.

ICTC 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 latest Short Range Transit Plan. 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 in providing oversight of TDA-funded transit services.

As part of performance monitoring of the ICTC-administered services (IVT, Blue/Green Line, AIM, Med-Express, West Shores Roadrunner Dial-A-Ride, and YCAT Turquoise Route 10), 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 are filled out by ICTC staff. Observations include the start and end time, driving habits, customer service, and bus requirements. A comments section is also provided for notes and other observations about the trip.

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.

TDA Claims Processing

Claims and required documents for TDA funding in accordance with the adopted transit finance plan can be submitted throughout the claim's fiscal year. During the audit time period, claims were submitted toward the end of the fiscal year of apportionment or rolled over to the next fiscal year. As policy, ICTC does not allocate funding to those jurisdictions which have outstanding TDA claims to submit.

ICTC utilizes elements of the 2006 IVAG Transportation Development Act Guidebook and claims forms. The purpose of the guidebook is to serve as a reference document for TDA claimants and ICTC staff managing the TDA claims process. While the TDA guidebook provides ample information and definitions to complete the claims, ICTC staff indicated as it has in the past the difficulty of using the claims forms, citing their complexity, which has contributed to a lack of proper data submitted by the claimants for transit funds. Staff indicated that due to the form's complexity, the claimants only fill in the minimum information and ICTC staff must spend time filling in as much remaining information as their limited time allows before processing the claims. The submittal process for the revised claims forms via electronic mail was also to become standardized, but that has not been the case. While the TDA guidebook is available online to the TDA claimants, it does not appear to have provided the intended assistance to the claimants or to ICTC.

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

For Article 3 bike and pedestrian claims, the checklist includes the non-transit claim form, financial reporting form, project information, governing body authorization, and other exhibits. Article 8c and STA transit claims include the 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 the terminal inspection certificate, annual State Controller's Financial Transactions Report, and annual fiscal audit. Each September, member agencies submit candidate projects, which ICTC approves in a public process. Agencies then submit claims forms for approved projects throughout the fiscal year.

Under Article 8e, ICTC allocates funds toward the Bus Stop Benches and Shelters Program, which involves the installation and maintenance of bus stops for IVT. The program sets aside funding annually for member agencies that then choose the amenities and aesthetics desired as

per local requirements and values. Further, ICTC does not allocate LTF funds for street and road projects.

STA funds were allocated to IVT service in FY 2010–11 as these funds became more predictable from the state gas tax swap legislation in 2010 that changed the funding source. Because of this predictability, ICTC reverted to using STA to fund the ADA paratransit service, ICT Access, starting in FY 2011–12. Historically, STA supported AIM Transit, as the amount of STA funding in past years was comparable with the subsidy amount for AIM Transit.

As a condition of using STA for operational expenses, the TDA statute requires that ICTC conduct an efficiency test. This test has been exempt statewide for the past five years through FY 2014–15 as a result of SB 565 (DeSaulnier). Beginning in FY 2015–16, the efficiency test per PUC Section 99314.6 relating to operating cost per hour will need to re-commence to use STA for operations. However, given that ICTC allocates all STA to IVT Access for required ADA paratransit, the statute allows exclusions of cost increases beyond the change in the Consumer Price Index for such expenses as comparable complementary paratransit. This exclusion enables STA to continue to be used for the ADA service provided by IVT Access.

Unmet Transit Needs

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

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

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

A summary of unmet transit needs findings following the first public hearing each January is prepared for the Unmet Transit Needs 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, the public hearing process, and the unmet transit needs definitions. TDA funding for transit has increased due to documented transit needs that are identified during the annual unmet transit needs process. The unmet transit needs findings and Board resolution are submitted to Caltrans generally in May for review of completeness.

Marketing and Transportation Alternatives

ICTC has created a community outreach/public information/marketing program that considers ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus has been twofold: (1) creating a new independent ICTC website that provides easy access to its member agencies, key stakeholders, and the general public; and (2) creating separate new websites for IVT and IVT Access. ICTC's home website provides links through rolling logos of the member agencies and partners that enable the user to obtain additional information and direct the user to the respective agencies' home websites. Additionally, links to transit websites for IVT, IVT Access, Med-Express/West Shores Roadrunner Dial-A-Ride, and YCAT are available. Other aspects of the outreach program include the administration and management of information provided for board meetings and ICTC subcommittees, as well as other public outreach events for regional transportation planning and transit planning activities.

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

ICTC completed an update to its Public Participation Plan in November 2011 to ensure a proactive public involvement process with an opportunity for the public to be involved in all phases of the planning process by providing complete information, timely public notice, opportunities for making comments, full access to key decisions, and early and continuing involvement in developing transportation plans and programs. Because ICTC is a subregion of SCAG in which SCAG acts as the metropolitan planning organization (MPO) for Imperial County, the public participation plan complies with SCAG public participation plan requirements. The plan describes the key policy documents (such as Air Quality Conformity Analysis, Overall Work Program, Regional Transportation Plan, Transportation Improvement Program, and environmental documents), public meeting noticing, public comment periods, citizen advisory committees, and agency protocol.

With regard to transit marketing, ICTC publishes brochures on both Imperial Valley Transit and local circulator services. Transit brochures are also available on other transit systems, including IVT Access, Med-Express, and YCAT. Separate websites for several transit services are linked

through the ICTC home website. The IVT website includes a description of the service, route schedules and map, a trip planner function, FAQs, contact information, and links to Imperial Valley College, IVT Access, and ICTC. Within this site are other links to information for the local circulators including the Blue, Green, and Gold Lines, which follow the same web format as the intercity service. The IVT Access website also follows the same format as IVT and includes descriptions of rider eligibility, rules, fares, and making an appointment. Information about Med-Express and West Shores Roadrunner Dial-A-Ride are provided on the ARC Imperial Valley website, which is also linked to the ICTC website. Due to budget constraints, marketing materials for transit in the county have generally been minimized.

Grant Applications and Management

ICTC achieved grantee status with the Federal Transit Administration (FTA), the California Department of Transportation (Caltrans), and the Federal Highway Administration (FHWA) for eligibility and receipt of state and federal transportation funds of nearly \$10 million for FY 2011–2012.

ICTC's success in obtaining grants has resulted in several significant transit projects during the audit period such as the following examples:

- Completing acquisition of ten new large (40-foot) buses for IVT regional fixed-route service, eight new buses (25-foot) for IVT Access paratransit service, and two service vehicles for transit supervisors to monitor and respond to urgent or emergency situations.
- Completing Phase 2 of the Imperial Valley College Transit Transfer Terminal. 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.
- Completing construction of regional transit transfer terminals in Brawley and El Centro.
- Expanding intercity and local circulator routes.
- Installing lighting, cameras, and security phones at the IVC Phase I bus transfer facilities, as well as solar lighting facilities at the Brawley Transfer Terminal.
- Obtaining a grant for installation of security cameras on IVT and IVT Access buses.
- Obtaining a grant for the Calexico Intermodal Transportation Facility.

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, the Brawley Transfer Terminal, Gold Line circulator bus service, and dial-a-ride. ICTC submitted certifications to the federal government as required under ARRA Section 1511 to verify that the investments have gone through the necessary review and vetting required by

law. Also, through the State Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA), grant funds were programmed for the completion of the IVC Transfer Terminal Phase II and for the Brawley and Imperial Transfer Terminals totaling \$1.6 million. Additionally, grant funds through the California Security and Transit Grant Program (CSTGP) were awarded for the installation of security cameras on IVT and IVT Access buses totaling \$266,670.

FTA Section 5317 funds received in arrears totaling \$200,000 are utilized for the IVT Access ADA paratransit system for persons with disabilities. This was a new grant for ICTC for FY 2012–13, which was developed and submitted by ICTC staff and approved by Caltrans.

ICTC staff, also acting as the transit administrator for IVT, provide assistance in the planning and programming of federal transit grants such as FTA Sections 5307, 5309, and 5311 grants. FTA Section 5307 funds have been programmed for IVT, the IVT circulator lines, and the El Centro Transfer Terminal design and construction. FTA Section 5309 funds have been programmed for construction of the Brawley and Imperial Transfer Terminals. Section 5311 funds are programmed for the operation of IVT fixed routes outside of the El Centro urbanized area.

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 Commission.

Along with its urbanized area status, ICTC is subject to additional federal reporting requirements as the administrator of the IVT bus system. The agency 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 and also participated in the FTA triennial review of IVT in September 2010 that audited ICTC's compliance with federal regulations and practices. A more recent FTA review was also conducted after the audit period.

The federal government requires transportation agencies that receive US Department of Transportation (USDOT) funds to implement the Federal Disadvantaged Business Enterprise (DBE) Program designed to encourage the participation of minority- and women-owned businesses (MBE/WBEs) in transportation contracting. ICTC receives USDOT funds through the Federal Transit Administration (FTA) and thus must implement the Federal DBE Program. ICTC retained a consultant to conduct a "disparity study" to inform its implementation of the Federal DBE Program. The study's primary objective was to examine whether there were any disparities between ICTC's utilization of MBE/WBEs on its transportation contracts and the availability of those businesses to perform that work. Separately, ICTC has also made available its Title VI

discrimination complaint procedure on its website, both in English and Spanish. Title VI of the Civil Rights Act of 1964 prohibits discrimination with respect to transit services.

Section V

Findings and Recommendations

The following material summarizes the major findings obtained from the triennial audit covering FYs 2011 through 2013. A set of recommendations is then provided.

Findings

1. ICTC has accomplished many of its objectives as a regional planning entity and built good relationships with key partners such as Caltrans while maintaining ongoing communication with its member local jurisdictions. With significant growth in Imperial County over the past decade, as evidenced by the 2010 Census figures, it is recognized that ICTC should 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 relatively minor aspect. For the requirement that ICTC submit the triennial performance audit to Caltrans, it must certify in writing to Caltrans that all audits have been completed. While the performance auditor is confident that ICTC has submitted the prior performance audits to Caltrans, it should have a copy on file of the final cover letter accompanying the submittal.
3. With the creation and transition to an independent transportation commission in January 2011, ICTC staffing levels have been augmented in recent years in order to meet the demands and expanded responsibilities of a multidisciplinary transportation planning agency. ICTC staff transitioned to “official” employment with the independent transportation commission, which included establishing a salary and benefits structure as well as addressing and developing human resource and employment-related materials.
4. Of the four prior audit recommendations, two have been fully implemented, one was not applicable during the audit period, and another has not yet been implemented. The prior recommendation not yet implemented is for ICTC to update its TDA claims form to simplify and enhance its usability.
5. Stakeholders that were interviewed for this audit, including ICTC Commissioners and public agency staff and citizens who serve on an ICTC committee, were satisfied with ICTC’s activities, responsiveness, and direction being taken toward regionalism. Its independence and the presence of an Executive Director have improved the perception that the agency serves all member jurisdictions in a fair manner. In part as a consequence of the Commissioners’ strong confidence with staff recommendations on projects, it was suggested during the interviews that Commissioners be encouraged to further discuss

projects prior to voting including fully digesting the decision-making process conducted through the ICTC standing committees.

6. A core activity held annually by ICTC is the Strategic Planning Workshop. The intent of the workshop is to identify, discuss, and prioritize core activities at ICTC. The strategic planning process conducted during the audit period represented the first time that Commission decision-makers have been asked to provide direction for the organization's overall focus.
7. Significant work includes adoption of the Short Range Transit Plan, completion of the Imperial Valley region's update of the transportation improvement program that includes key regional projects, completion of the Brawley Bypass, initiation of work with ICTC member agency staff, and achievement of grantee status with the Federal Transit Administration (FTA), the California Department of Transportation (Caltrans), and the Federal Highway Administration (FHWA) for eligibility and receipt of state and federal transportation funds.
8. The Transit Planning and Program Management portion of the ICTC Overall Work Program has incorporated the former annual Transit Finance Plan that provides the annual budget and planned expenditure commitments for each of the transit operators, including regional services and those provided by the local cities. ICTC designs a detailed funding table of federal, state, and local grants and revenues it receives for public transit.
9. ICTC continues to conduct the annual unmet transit needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). ICTC staff make an effort to educate Commissioners of the unmet needs hearings that have resulted in greater awareness and reception of the outcomes by the ICTC.
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 as taking action to preserve transit service, demonstrates the agency's active role in providing oversight of TDA-funded transit services. In addition, ICTC staff utilize additional proactive monitoring techniques including in-person on-board observations for the ICTC administered transit programs.
11. ICTC has created a community outreach/public information/marketing program that considers ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus has been twofold: (1) creating a new independent ICTC website that provides easy access to its member agencies, key stakeholders, and the general public; and (2) creating separate new websites for IVT and IVT Access. All website materials are bilingual.
12. ICTC's success in obtaining grants has resulted in several significant transit projects including acquisition of new bus vehicles, construction of transfer terminals in El Centro and Brawley and at Imperial Valley College, and increased security assets at bus facilities.

Triennial Audit Recommendations

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

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

2. Maintain final records of key submittals including TDA performance audit.

As a compliance measure requiring that ICTC submit the triennial performance audit to Caltrans, it must certify in writing to Caltrans that all required audits have been completed. While the performance auditor is confident that ICTC has submitted the prior performance audits to Caltrans, it should have a copy on file of the final cover letter accompanying the submittal as evidence of the date of submittal and what documents were submitted.

3. Implement the State Transit Assistance efficiency test.

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

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

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

As a carryover from the prior performance audit, the current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook update. During their subsequent use for the claims process, staff has found the claims forms

to be complex relative to the claims being made and the information that is required from the claimants. A streamlined claims form would serve the agency better and should be revised as agency resources allow, along with providing further training to the claimants. The revised claims forms should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This requirement can be inserted as part of the annual TDA claims package. A few samples of alternative claims forms are shown in the appendix section of prior performance audits of ICTC's predecessor, IVAG.

5. Update the blended farebox recovery ratio for IVT.

Historically, ICTC updates the required farebox recovery ratio and submits to Caltrans every three to five years. ICTC develops a calculation method to integrate rural and urban service areas into the formula to derive a ratio for IVT. With recent operational changes to service such as with ADA paratransit, there may be opportunity to review options for the farebox ratio. In one example, the Public Utilities Code has provisions that allow a transit system to incorporate both fixed-route and specialized service farebox ratios under one combined ratio. Under PUC Section 99238(b), "an operator which provides both exclusive transportation services for elderly and disabled persons and regular scheduled public transportation services may be allocated funds...and the ratio of fare revenues to operating cost for the combined service shall not be less than the ratio required in order to make allocations to the operator for its regular scheduled services." This describes that the combined farebox ratio of fixed-route and ADA paratransit service must meet the farebox ratio of the fixed route alone. For IVT, it is the blended ratio developed and adopted by ICTC for fixed route that is then submitted to Caltrans. With the lower IVT Access farebox recovery ratio, IVT fixed route would be required to generate a higher farebox ratio on its own to compensate for the inclusion of the ADA service ratio. In this manner, rather than meeting two separate farebox standards, the transit system would be subject to one. ICTC adopted a new farebox ratio which took effect after the audit period, but should consider further options.