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## Chapter 1 | Executive Summary

The Triennial Performance Audit of the Imperial County Transportation Commission (ICTC) covers a three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In late 2022, the ICTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the ICTC's programs for the period:

- Fiscal Year 2019/20,
- Fiscal Year 2020/21, and
- Fiscal Year 2021/22.

Moore & Associates, Inc. conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. The auditors believe the evidence obtained provides a reasonable basis for their findings and conclusions based on the audit objectives.

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

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA's functions and activities, and
5. Findings and recommendations.

### Test of Compliance

With one exception, Imperial County Transportation Commission adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. State Controller Reports were submitted after the stipulated deadline in FY 2020/21 and FY 2021/22.

### Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2019 – included the following recommendations:

1. **Ensure State Controller Reports are submitted in a timely manner.**  
**Status:** Implementation in progress.
2. **Ensure the RTPA’s fiscal audits are completed no later than 12 months following the end of the fiscal year, and that operator audits for which ICTC is responsible are submitted no later than 180 days after the end of the fiscal year (plus a 90-day extension).**  
**Status:** Implemented.
3. **For any operator using STA funds for operating purposes, ICTC should include the test against the two qualifying efficiency standards as part of the TDA claim process.**  
**Status:** Implemented.
4. **Prepare and implement a standardized orientation process for new ICTC Board members.**  
**Status:** Implemented.
5. **Reaffirm ICTC’s definitions of “unmet transit need” and “reasonable to meet” as part of each annual unmet transit needs finding.**  
**Status:** Not implemented.

### Goal Setting and Strategic Planning

The Imperial County Transportation Commission (ICTC) is a regional transportation planning agency governed by a Commission composed of one council member from each city (Brawley, Calipatria, Calexico, El Centro, Holtville, Imperial, and Westmorland), two members of the Imperial County Board of Supervisors, one member of the Imperial Irrigation District’s Board of Directors, and one ex officio member appointed by the Governor of California representing Caltrans. The ICTC was created in 2009 by Senate Bill 607 as the successor agency to the Imperial Valley Association of Governments.

While the ICTC is the Regional Transportation Planning Agency for Imperial County, it is not responsible for preparing the Regional Transportation Plan. As a member of the Southern California Association of Governments (SCAG), which serves as the Metropolitan Planning Organization for the region, Imperial County is included within SCAG’s Connect SoCal Plan, which serves as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the six-county area. The current RTP/SCS was adopted on September 3, 2020, by SCAG’s Regional Council and spans the 25-year period between 2020 and 2045. Planning has already begun on the 2024 update. The Regional Council includes two representatives from Imperial County as well as a representative from the ICTC.

The ICTC’s most recent Long-Range Transportation Plan was completed in 2013. It primarily focused on a review of transportation infrastructure in Imperial County and provided a prioritized list of highway facility and roadway improvement projects. It also included a congestion management element that included recommended methods for establishing performance standards for transit service. This plan is currently being updated, with completion expected by September 2023.

**Findings and Recommendations**

Based on the current review, the auditors submit the aforementioned TDA compliance finding:

1. State Controller Reports were submitted after the stipulated deadline in FY 2020/21 and FY 2021/22.

The audit team has identified one functional finding. While this finding is not a compliance finding, the auditors believe it is significant enough to be addressed within this review:

1. The ICTC does not reaffirm its definitions of “unmet transit need” and “reasonable to meet” as part of its annual unmet transit needs findings.

In completing this Triennial Performance Audit, we submit the following recommendations for the ICTC as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

**Exhibit 1.1 Summary of Audit Recommendations**

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted in a timely manner.	High	Ongoing
Functional Recommendations		Importance	Timeline
1	Reaffirm the ICTC’s definitions of “unmet transit need” and “reasonable to meet” as part of each annual unmet transit needs finding.	Medium	FY 2023/24

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Imperial County Transportation Commission (ICTC) covers the three-year period ending June 30, 2022. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In late 2022, the ICTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the ICTC as the designated RTPA for Imperial County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to which it allocates TDA funding.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for their findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

### Objectives

A Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of the ICTC included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
3. Analysis of ICTC's internal goal setting and strategic planning functions.
4. Examination of the following functions:
  - Administration and Management,
  - Transportation Planning and Regional Coordination,
  - Claimant Relationships and Oversight,
  - Marketing and Transportation Alternatives, and
  - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

## Methodology

The methodology for the Triennial Performance Audit of the Imperial County Transportation Commission as the RTPA included thorough review of documents relevant to the scope of the review, as well as information contained on the ICTC's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with ICTC representatives on March 1, 2023. The audit team met with David Aguirre (Executive Director) and Gustavo Gomez (Regional Mobility Coordinator), and reviewed materials germane to the triennial audit.

The report is comprised of seven chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the audit and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Progress in implementing prior recommendations,
  - Goal setting and strategic planning,
  - Functional review, and
  - Findings and recommendations.

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## Chapter 3 | Overview of ICTC

The Imperial County Transportation Commission (ICTC) is a regional transportation planning agency governed by a Commission composed of one council member from each city (Brawley, Calipatria, Calexico, El Centro, Holtville, Imperial, and Westmorland), two members of the Imperial County Board of Supervisors, one member of the Imperial Irrigation District’s Board of Directors, and one ex officio member appointed by the Governor of California representing Caltrans. The ICTC was created in 2009 by Senate Bill 607 as the successor agency to the Imperial Valley Association of Governments. Future non-voting members of the Commission may include representatives of Baja California; Mexicali, Mexico; any federally recognized Native American tribe in Imperial County; and the Consul of Mexico.

### Roles

The ICTC serves many functions within the region, including:

**Regional Transportation Planning Authority (RTPA).** As the RTPA, the ICTC is legally responsible for allocating Transportation Development Act (TDA) funds. The TDA provides two major sources of funding: Local Transportation Funds (LTF), which are derived from a one-quarter cent state sales tax, and State Transit Assistance (STA), which is derived from the statewide sales tax on diesel fuel. The ICTC is required by state statutes to conduct multi-modal transportation planning, programming, and funding allocation.

**Transit Operator.** The ICTC provides direct management, administration, and oversight of local and regional transit programs including Imperial Valley Transit (IVT), IVT Ride, IVT Access, and IVT MedTrans. The ICTC also partners with the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) and Quechan Tribe to provide transit service in Eastern Imperial County.

**Americans with Disabilities Act (ADA) Certification and Eligibility Provider.** The ICTC’s Mobility Coordination staff process eligibility/certification applications and conduct functional interviews to support Imperial County’s ADA program.

**Consolidated Transportation Service Authority (CTSA).** ICTC is the agency responsible for coordinating programs serving the transportation needs of seniors, persons with disabilities, and other historically transit-dependent populations.

**Local Transportation Authority (LTA).** The ICTC is responsible for determining the method for distributing Measure D sales tax revenue for transportation improvements.

**Imperial/Mexicali Binational Alliance** – Developed by the ICTC in partnership with the Imperial Valley Economic Development Corporation (IVEDC) and Mexicali’s Economic Development Organization (CDEM). The Imperial-Mexicali Binational Alliance was established via memorandum of understanding in 2013 in Mexicali. This group focuses on three cross-border goals: transportation infrastructure, economic development, and environmental issues. Other participating organizations include local, state and federal agencies having direct responsibilities for cross-border infrastructure, economic, and environmental issues. Participants include the cities of Calexico and Mexicali; Imperial County; State of Baja California’s Cabinet Offices of Transportation/Urban Planning, Environments, and Economic Development; Caltrans; U.S. and Mexico federal agencies located at the border; and the Secretariat for Communications and

Transport. The Alliance meets on the second Thursday of the month on a bi-monthly basis and alternates meetings between Imperial and Mexicali.

**CalVans** – In 2014, the ICTC became a member of the CalVans Joint Powers Agency. CalVans does not require contributions from members, but provides an additional transit option within member jurisdictions. CalVans established an office in El Centro and operates 47 agricultural worker vanpools within Imperial County.

**Imperial Valley Resource Management Agency (IVRMA)** – On March 2, 2020, the ICTC became the administrator of the IVRMA. This took place following the implementation of Assembly Bill 335, which allowed the ICTC’s authority to include non-transportation programs.

**Service Authority for Freeway Emergencies (SAFE)** – On July 1, 2020, the ICTC became the administrator of the SAFE. This also took place following the implementation of Assembly Bill 335, which allowed the ICTC’s authority to include non-transportation programs.

### **Advisory Committees**

**Management Committee** – Addresses transportation projects and issues specific to the region and serves as a policy advisory body to the Board. The Management Committee is comprised of two members from the County of Imperial and one member from each member-city or agency (e.g., City Manager, Chief Executive Officer, General Manager, or their designated representative). It meets on the second Wednesday of the month.

**Social Services Transportation Advisory Council (SSTAC)** – Statutorily (PUC 99238) created to serve a broad representation of youth, students, elderly, disabled persons, persons of limited means, social service agencies, the transit-dependent, and transit providers. The SSTAC participates in the identification of transit needs; reviews and recommends action; and provides advice and technical recommendations. It meets on the first Wednesday of the month. SSTAC members serve three-year terms.

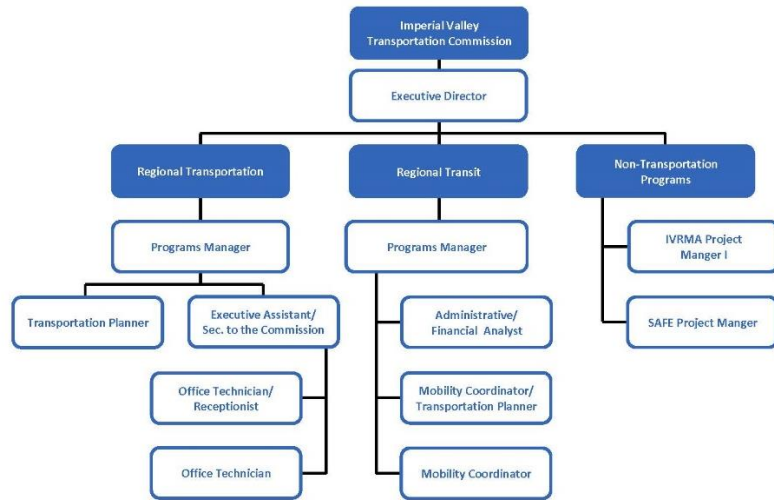
**Technical Advisory Committee (TAC)** – Composed of Planning and Public Works Department representatives from each member agency including advisory members of Caltrans, Southern California Association of Governments (SCAG), and the ICTC. The purpose of the TAC is to coordinate the plans and development of regional transportation improvement program of projects, transportation planning programs, and transportation funding programs. It typically meets on the fourth Thursday of the month.

**Americans with Disabilities Act (ADA) Advisory Committee** – Includes members from the SSTAC as well as other individuals who are disabled and agencies that provide services to the disabled community. It meets on an as-needed basis when a transit complaint has been filed by a person with disabilities, when an appeal is filed under the ADA certification and eligibility process, and when a public agency requests input from the disabled community regarding transit service changes.

### **Organization**

The ICTC organizational chart (see Exhibit 3.1) includes 11 full-time positions. The ICTC’s Executive Director reports to the Commission and manages three departments: Regional Transportation, Administrative Support, and Regional Transit.

Exhibit 3.1 Organizational Chart



Source: ICTC.

During the audit period, the following individuals served as voting members of the Imperial County Transportation Commission:

- George Nava, City of Brawley (2019-2022)
- Maria Nava-Froelich, City of Calipatria (2019 - 2022)
- Lewis Pacheco, City of Calexico (2019-2020)
- Bill Hodge, City of Calexico (2020)
- Javier Moreno, City of Calexico (2021)
- Rosie Arreola-Fernandez, City of Calexico (2021-2022)
- Raul Urena, City of Calexico (2022)
- Cheryl Viegas-Walker, City of El Centro (2019-2022)
- Jim Predmore, City of Holtville (2019-2020)
- Mike Goodsell, City of Holtville (2021-2022)
- Ginger Ward, City of Holtville (2022)
- Robert Amparano, City of Imperial (2019-2022)
- Larry Ritchie, City of Westmorland (2019-2020)
- Ana Beltran, City of Westmorland (2021-2022)
- Xavier Mendez, City of Westmorland (2022)
- Luis Plancarte, County of Imperial (2019-2022)
- Ryan Kelley, County of Imperial (2019-2022)
- Erik Ortega, Imperial Irrigation District (2019)
- Javier Gonzalez (2021-2022)

ICTC Commissioners meet at 6:00 p.m. on the fourth Wednesday of the month in the Imperial County board chambers (940 Main Street) in El Centro.

Current areas of interest to the Commission include low transit ridership as a result of the COVID-19 pandemic and the Calexico micro-transit demonstration project. In addition, the ICTC receives monthly performance reports from its operations contractor and makes periodic presentations to the Board.

**Goal Setting and Strategic Planning**

The primary planning document for an RTPA is typically the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range (25-year) transportation plan providing a vision for regional transportation investments. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help meet regional greenhouse gas reduction targets.

While the ICTC is the Regional Transportation Planning Agency for Imperial County, it is not responsible for preparing the Regional Transportation Plan. As a member of the Southern California Association of Governments (SCAG), which serves as the Metropolitan Planning Organization for the region, Imperial County is included within SCAG’s Connect SoCal Plan, which serves as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the six-county area. The current RTP/SCS was adopted on September 3, 2020, by SCAG’s Regional Council and spans the 25-year period between 2020 and 2045. Planning has already begun on the 2024 update. The Regional Council includes two representatives from Imperial County as well as a representative from the ICTC.

The Connect SoCal plan primarily looks at the region as a whole, rather than planning for each county individually. While some key projects are identified by county, the majority of the plan takes a more holistic view. The RTP/SCS does set forth a series of goals and guiding principles that are applicable across the region.

**Exhibit 3.2 Connect SoCal Goals**

Goals	
1	Encourage regional economic prosperity and global competitiveness.
2	Improve mobility, accessibility, reliability, and travel safety for people and goods.
3	Enhance the preservation, security, and resilience of the regional transportation system.
4	Increase person and goods movement and travel choices within the transportation system.
5	Reduce greenhouse gas emissions and improve air quality.
6	Support healthy and equitable communities.
7	Adapt to a changing climate and support an integrated regional development pattern and transportation network.
8	Leverage new transportation technologies and data-driven solutions that result in more efficient travel.
9	Encourage development of diverse housing types in areas that are supported by multiple transportation options.
10	Promote conservation of natural and agricultural lands and restoration of habitats.



Exhibit 3.3 Connect SoCal Guiding Principles

Guiding Principles	
1	Base transportation investments on adopted regional performance indicators and MAP-21/FAST Act regional targets.
2	Place high priority for transportation funding in the region on projects and programs that improve mobility, accessibility, reliability and safety, and that preserve the existing transportation system.
3	Assure that land use and growth strategies recognize local input, promote sustainable transportation options, and support equitable and adaptable communities.
4	Encourage RTP/SCS investments and strategies that collectively result in reduced non-recurrent congestion and demand for single occupancy vehicle use, by leveraging new transportation technologies and expanding travel choices.
5	Encourage transportation investments that will result in improved air quality and public health, and reduced greenhouse gas emissions.
6	Monitor progress on all aspects of the Plan, including the timely implementation of projects, programs, and strategies.
7	Regionally, transportation investments should reflect best-known science regarding climate change vulnerability, in order to design for long term resilience.

The ICTC’s most recent Long-Range Transportation Plan was completed in 2013. It primarily focused on a review of transportation infrastructure in Imperial County and provided a prioritized list of highway facility and roadway improvement projects. It also included a congestion management element that included recommended methods for establishing performance standards for transit service. This plan is currently being updated, with completion expected by September 2023.

In 2018, the ICTC completed its most recent Short Range Transit Plan (SRTP). The 2018 SRTP included the following goals for Imperial County:

1. Provide mobility to all residents of Imperial County. Service levels are determined by demand, with all areas receiving service but those with more demand for transit receiving more service.
2. Connect residents of Imperial County with medical, social services, and educational facilities throughout the county.

The SRTP also proposed a potential third goal, which would be to attract choice riders. The SRTP sought to address these goals by working to:

1. Maximize the efficiency of the system by deploying appropriate resources to areas where they are needed most.
2. Maximize usage of the system by serving all major trip generators and ensuring passengers can make the necessary connections to reach those decisions.

Other recent planning efforts have included the Imperial County Travel Model (ICTM) Update (2018), Calexico Traffic Circulation Plan (2018), Imperial County State Transit Improvement Program (STIP) (2020), ICTC Public Agency Safety Plan (2020), Imperial County Coordinated Public Transit – Human Services Plan

(2021), Imperial County Regional Climate Action Plan (2021), Public Transit Fare Analysis (2021), and Regional Active Transportation Plan (2022).

In Chapter 6, the auditors further evaluate the ICTC’s effectiveness and efficiency as the RPTA.

## Chapter 4 | Program Compliance

This section examines the Imperial County Transportation Commission’s compliance with the State of California’s Transportation Development Act as well as relevant sections of California’s Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with ICTC staff as well as an inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

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

1. State Controller Reports were submitted after the stipulated deadline in FY 2020/21 and FY 2021/22.

### Developments Occurring During the Audit Period

The FY 2019/20 – FY 2021/22 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how the COVID-19 pandemic impacted the organization, but how it responded to the crisis.

In the 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provides temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provides additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. While the ability to maintain state mandates and

performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2022/23.
2. Waives the annual productivity improvement requirement of Section 99244 through FY 2022/23.
3. Adds a temporary provision exempting operators from farebox recovery ratio requirements through FY 2024/25 provided they expend at least the same amount of local funds as in FY 2018/19.
4. Expands the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
5. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
6. Requires the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22.
7. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also calls for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

**Exhibit 4.1 Transit Development Act Compliance Requirements**

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	Article 8 Unmet Transit Needs hearings held: February 21, 2019 March 4, 2020 June 7, 2021 April 16, 2022
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA’s jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> <li>• A committee for the purpose of providing advice on productivity improvements may be formed.</li> <li>• The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation.</li> </ul>	PUC 99244	In compliance	
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	In compliance	
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2019/20: December 30, 2020 FY 2020/21: March 23, 2022 FY 2021/22: March 22, 2023
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	Finding	FY 2019/20: February 1, 2021 FY 2020/21: March 17, 2022 FY 2021/22: February 21, 2023

Compliance Element	Reference	Compliance	Comments
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator’s TDA money, and to the RTPA within 12 months after the end of the triennium. If an 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.	PUC 99246, 99248	In compliance	All transit operators received Article 8(c) funding. This requirement applies to Article 4 recipients.  Moore & Associates conducted the FY 2016/17, FY 2017/18, and FY 2018/19 audits, which were adopted on June 24, 2020.  Moore & Associates was subsequently selected to prepare the current audits.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	Letter dated July 7, 2020, citing adoption of all audits by ICTC on June 24, 2020.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	While operators receive Article 8(c) funding, the RTPA has not adopted alternative performance criteria.
The performance audit of the operator providing public transportation services shall include a verification of the operator’s cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	In compliance	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	In compliance	

Compliance Element	Reference	Compliance	Comments
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238;</li> <li>• Identified transit needs, including: <ul style="list-style-type: none"> <li>▪ Groups that are transit-dependent or transit-disadvantaged;</li> <li>▪ Adequacy of existing transit services to meet the needs of groups identified; and</li> <li>▪ Analysis of potential alternatives to provide transportation alternatives;</li> </ul> </li> <li>• Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet";</li> <li>• Identified the unmet transit needs and those needs that are reasonable to meet; and</li> <li>• Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	<p>The annual Unmet Transit Needs process undertaken by ICTC includes the following elements:</p> <ul style="list-style-type: none"> <li>• Public comment period</li> <li>• Public hearing</li> <li>• Identification of any unmet transit needs that are reasonable to meet</li> </ul> <p>Consultation with the Social Services Transportation Advisory Council (SSTAC)</p>

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## Chapter 5 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Imperial County Transportation Commission has made quantifiable progress toward improving both the efficiency and effectiveness of its programs.

The prior audit – completed in May 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2019 – included five recommendations:

1. [Ensure State Controller Reports are submitted in a timely manner.](#)

**Discussion:** In FY 2016/17, the State Controller Report was submitted on or about March 16, 2018, approximately six weeks following the deadline. In FY 2017/18, the report was submitted on March 28, 2019, approximately eight weeks after the deadline. In FY 2018/19, the timeliness had improved, though the report was still submitted on March 4, 2020, four weeks after the deadline.

The prior auditor recommended the ICTC take whatever actions were necessary to ensure an on-time submittal of the State Controller Reports. This could require working with other entities to adjust other submittal deadlines to ensure audited data is available.

**Progress:** While the FY 2019/20 State Controller Report was submitted on time, the FY 2020/21 report was submitted approximately seven weeks late, and the FY 2021/22 report was submitted nearly three weeks late. ICTC staff have been working with the auditor to get the data and audit finished by December so the State Controller report can be completed on time. The ICTC has had multiple conversations with the auditor about this, and intends to make a concerted effort to submit the report on time for FY 2022/23.

**Status:** Implementation in progress.

2. [Ensure the RTPA’s fiscal audits are completed no later than 12 months following the end of the fiscal year.](#)

**Discussion:** The ICTC completes its audits by fund, but all are done on a similar time frame. ICTC’s FY 2017/18 TDA fiscal audits were completed on July 2, 2019. At the time the prior audit was completed, completion of the FY 2018/19 TDA fiscal audit was still pending. This was well beyond the 270-day deadline for the operators and just beyond the June 30 deadline for the RTPA.

The prior auditor recommended the ICTC ensure the RTPA’s fiscal audits are completed no later than 12 months following the end of the fiscal year, and that operator audits for which the ICTC is responsible are submitted no later than 180 days after the end of the fiscal year (plus a 90-day extension).

**Progress:** Fiscal audits for each year were completed within the 270-day deadline as required for the transit operators. The ICTC's FY 2021/22 fiscal audit was presented to the ICTC Board on March 22, 2023, and the final audit is dated March 22, 2023.

**Status:** Implemented.

3. For any operator using STA funds for operating purposes, the ICTC should include the test against the two qualifying efficiency standards as part of the TDA claim process.

**Discussion:** Despite this requirement being in place since FY 2017, at the time of the prior audit, there was no evidence the ICTC conducted the qualifying tests prior to allocating funding for operating purposes for IVT Access and IVT MedTrans. When the calculations were applied, IVT Access was found to be eligible to use all of its STA allocation for operating purposes each year, while IVT MedTrans did not meet the full eligibility criteria for the current year.

There are two tests to determine if an entity meets the qualifying criteria for using the full allocation of STA funds for operating purposes. One compares the operating cost per vehicle service hour for the most recent two years for which audited data is available, adjusted for CPI. The other compares cost per vehicle service hour for the two most recent three-year periods for which audited data is available, adjusted for CPI.

The auditor provided an STA worksheet in Excel format to be utilized as part of the TDA claims process for operators receiving STA for operating purposes. If an operator does not meet either standard, the allocation should be reduced by the smallest percentage by which the standard is not met (for example, in Exhibit 7.2, that percentage is 1.53 percent).

**Progress:** The ICTC conducts the efficiency tests as part of its TDA claims process.

**Status:** Implemented.

4. Prepare and implement a standardized orientation process for new ICTC Board members.

**Discussion:** At the time of the prior audit, ICTC staff conduct orientation activities with new Board members on an informal basis. A prior recommendation called for a more standardized approach to such orientations to ensure all new Board members have access to the same information and resources.

The prior audit recommended ICTC staff identify existing resources that can be used to effectively orient new Board members. These should be utilized in support of a process that defines who conducts the orientation, what it covers, and who should participate.

**Progress:** When member agencies reorganize and assign a new member to the ICTC Board, they submit a document to the ICTC in addition to providing the individual's contact information. As soon as the ICTC receives this information, staff reach out to provide an orientation document and schedule a meeting with Executive Director. The Executive Director then walks each new

Board member through a comprehensive introduction to the agency, including what it does, what types of funding it receives, Local Transportation Authority activities, and other programs. Board members are also provided with the opportunity to visit the transit maintenance yard, ride along on transit, etc. Some are really interested and engaged.

**Status:** Implemented.

5. Reaffirm the ICTC’s definitions of “unmet transit need” and “reasonable to meet” as part of each annual unmet transit needs finding.

**Discussion:** While the ICTC conducts an annual unmet needs process that meets the requirements of the TDA, its definitions of “unmet transit need” and “reasonable to meet” are not typically affirmed as part of the unmet transit needs findings. As a result, this information can be difficult to find for someone who is new to the process, including Commission members and the public alike.

The prior auditor recommended the ICTC include these definitions in its annual unmet transit needs finding as part of the introductory material leading into that year’s findings. It should also include the date on which the definitions were adopted by the Commission.

**Progress:** The ICTC does not do this on an annual basis, though it reaffirmed the definitions a few years ago. It agrees this is something that should be part of the annual unmet transit needs process.

**Status:** Not implemented.

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## Chapter 6 | Functional Review

A functional review of the ICTC determines the extent and efficiency of the following functional activities:

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

### Administration and Management

The ICTC sets transportation priorities, selects projects, and distributes state and federal monies to its members to maintain, repair and support operations of local roadways, public transportation and other transportation systems. The ICTC is also responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF), and local Measure D tax revenues. The ICTC also manages and administers Imperial Valley Transit, IVT Access, IVT Ride, and IVT MedTrans transit programs.

Within its annual Overall Work Plan and Budget, the ICTC identifies key activities, accomplishments, funding sources, and anticipated expenditures for two program areas:

1. Financial Management, Community Outreach, and Regional Transportation Planning and Program Management; and
2. Transit Planning and Program Management.

The budget for each program area is broken down further into Administration and Operations and Professional and Specialized Projects and Services. Budgeting is a joint effort and relies heavily on anticipated revenue forecasts. The ICTC contracts with the County for legal services and internal audit services.

The ICTC maintains strong relationships with its TDA claimants, which include cities throughout Imperial County and the Quechan Tribe, as well as its transit operations contractor. It processes TDA claims in a timely manner upon receipt. The ICTC is able to monitor and respond to project and program progress effectively because so much of what it funds is managed internally.

The ICTC has been in a transition period following the retirement of multiple long-term employees and the selection of a new Executive Director. This resulted in vacancies in several key positions as internal candidates filled some of the roles. The new Executive Director is working on a long-term plan to guide the ICTC into the future as the agency grows. During the audit period, the ICTC assumed responsibility for new programs (such as the Imperial Valley Resource Management Agency and Service Authority for Freeway Emergencies). Member agencies have also been asking for additional services and support from the ICTC. The agency is also getting more involved in transportation projects and capital construction. It continues to evolve under new leadership. The ICTC is also currently more aggressive with respect to

grant funding that it has ever been. Additional positions may be needed as the RTPA's responsibilities, projects, and reporting requirements increase.

The ICTC's Governing Board is organized into committees, as detailed in Chapter 3. Prior to the pandemic, there were sometimes issues with failure to have a quorum of voting Board members. During the pandemic, when a virtual format was implemented, there was less of a problem, as most members attended most meetings. At the time of this report, the ICTC Board had returned to in-person meetings. The ICTC will still allow virtual participation via Zoom, though voting members will either need to attend in person or post publicly where they will be attending the virtual meeting. Key documents are provided to Board members for review ahead of the meetings where they will be discussed, in accordance with the Brown Act.

The ICTC feels it is currently staffed with the correct positions for its current responsibilities, though it anticipates needing more staff. There is typically little turnover, limited to retirements. Staff receive training appropriate to their responsibilities, depending on what they are trying to specialize in. There are ample training opportunities regarding transit, though opportunities are more limited for transportation, human resources, and finance staff. All employees undergo annual performance evaluations and are eligible for a standard benefits package which includes retirement benefits, health insurance, etc. The ICTC also contributes up to \$1,000 per fiscal year towards continuing education.

#### *Impact of COVID-19 pandemic*

In response to the COVID-19 pandemic, ICTC staff were able to work from home as well as in the office. The agency remained open and operational the entire time. When staff needed to be in office, schedules were staggered to minimize contact, which other staff worked remotely. Initially, ICTC did not have the technology it needed to accommodate working from home. It had to integrate remote access to servers and its email system. Working from home is still utilized, though it is much more limited. The biggest challenge of the pandemic was how unprepared they were to adapt to the shutdowns and changes to society, as well as the rapid changes and uncertain nature of how long those changes would last.

#### *Transportation Planning and Regional Coordination*

The regional planning landscape in Southern California is unique with respect to how responsibility for particular activities has been assigned. The Southern California Association of Governments (SCAG) is the designated Metropolitan Planning Organization (MPO) for a six-county region (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura). As the MPO, SCAG is responsible for coordinating land-use and transportation planning efforts within its jurisdiction. This is discussed in further detail in Chapter 3.

Responsibility for development of the RTP/SCS and FTIP would normally fall under the purview of the RTPA in other regions (such as San Diego County). Though the ICTC and SCAG may appear to serve the same function regarding Imperial County, SCAG's focus is on Imperial County as one part of the six-county region, while ICTC's focus is solely Imperial County.

As the RTPA, the ICTC prepares a Long Range Transportation Plan (LRTP) to supplement the RTP. An update to the current LRTP is scheduled to be completed in September 2023. The ICTC does not do any internal modeling, but relies on external models.

### Claimant Relationships and Oversight

The ICTC monitors operator progress through quarterly transit operator meetings. It prepares a group Transit Asset Management (TAM) Plan for IVT, IVT Access, IVT Ride, and IVT MedTrans (YCAT assets are included within its own TAM Plan). The ICTC handles service marketing activities for all IVT services. The ICTC communicates with First Transit daily, and with all operators quarterly to discuss productivity, budgeting, and needs for modifications. The ICTC meets separately with the Quechan Tribe and the YCIPTA on a quarterly basis. The Tribe and YCIPTA prepare an annual Eastern Imperial County Transit Services Operations and Implementation Business Plan, which is submitted to the ICTC as part of the annual MOU revision and TDA request.

The ICTC has processed the operators' TDA claims consistently with its own rules. When necessary, the ICTC withholds funding as appropriate. The ICTC is in the process of updating its TDA Guidebook to reflect changes in legislation since the Guidebook was created in 2006.

### Marketing and Transportation Alternatives

The ICTC typically sets aside a sizeable budget for marketing and outreach activities, most of which are provided by a consultant. While these activities primarily focus on the IVT transit programs it administers, this also includes travel training, ADA certification, and mobility management. In addition, the ICTC does limited promotion of CalVans and may offer referrals to social service agencies as an alternative or supplement to IVT services.

CalVans is the only other transportation alternative (beyond public transit) in Imperial County. There is no local ridesharing program. The ICTC periodically prepares an Active Transportation Plan.

In January 2023, the ICTC launched the Calexico On Demand micro-transit service as a demonstration project funded by the Clean Mobility Options Mobility Project Voucher. It contracted with Via for turn-key provision of the service using plug-in hybrid electric vehicles across a three-year period. Trips are booked through a smartphone app or by phone, and fares can be paid through the app or on the vehicle (cash only). Trips for riders needing a wheelchair accessible vehicle are provided by IVT-Ride. The service is operated Monday through Friday from 6:00 a.m. to 6:00 p.m. The ICTC hopes the demonstration project, if successful, can be adapted to other areas of Imperial County to provide paratransit services in a more efficient manner.

### Grant Applications and Management

The ICTC prepares and submits grant applications for itself as the RTPA and for the IVT transit programs, including FTA Sections 5307, 5310, and 5310; LCTOP; PTMISEA; and State of Good Repair. Most grant applications are prepared in-house, although the ICTC will occasionally enlist the assistance of a consultant. The ICTC also works with FTA 5310 applicants to provide support whenever possible.

The Quechan Tribe typically prepares its own discretionary grants for the transit service it funds. The Tribe monitors and reports on its own grants, although the ICTC provides letters of support upon request.

ICTC grants are generally managed by the program manager for transportation, the Executive Director, and the Mobility Coordinator. The IVRMA also has a dedicated project manager for its grants.

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## Chapter 7 | Findings and Recommendations

### Conclusions

With one exception, the auditors find the ICTC, functioning as the RTPA, to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. The compliance finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

### Findings and Recommendations

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

1. State Controller Reports were submitted after the stipulated deadline in FY 2020/21 and FY 2021/22.

The audit team has identified one functional finding. While this finding is not a compliance finding, the auditors believe it is significant enough to be addressed within this review:

1. The ICTC does not reaffirm its definitions of “unmet transit need” and “reasonable to meet” as part of its annual unmet transit needs findings.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the ICTC’s program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

#### Compliance Finding 1: State Controller Reports were submitted after the stipulated deadline in FY 2020/21 and FY 2021/22.

**Criteria:** Public Utilities Code Section 99243 requires regional transportation planning agencies in receipt of TDA funds to submit annual reports to the State Controller within 90 days following the end of the fiscal year (110 days if filing electronically). Beginning FY 2016/17, this submittal deadline was amended to January 31 following the end of the fiscal year. Beginning with the online reporting for FY 2017/18, the cover sheet is timestamped with the submittal date and time upon its generation. This makes it easier to determine when the report was actually submitted.

**Condition:** Submittal of the State Controller Report is the responsibility of the ICTC. In FY 2019/20, the report was submitted on February 1, 2021, which was the deadline that year due to January 31 falling on a Sunday. In FY 2020/21, the report was submitted on March 17, 2022, nearly seven weeks following the deadline. In FY 2021/22 the timeliness had improved, although the report was still submitted on February 21, 2023, three weeks after the deadline.

**Cause:** Several challenges can result in reports being submitted late, including the unavailability of final data and lack of awareness regarding submittal deadlines.

**Effect:** Late submittals can place the RTPA out of compliance with the TDA.

**Recommendation:** Ensure State Controller Reports are submitted in a timely manner.

**Recommended Action:** The ICTC should take whatever actions are necessary to ensure an on-time submittal of the State Controller Reports. This may require working with other entities to adjust other submittal deadlines to ensure audited data is available.

**Timeline:** Ongoing.

**Anticipated Cost:** Negligible.

**Functional Finding 2: The ICTC does not reaffirm its definitions of “unmet transit need” and “reasonable to meet” as part of its annual unmet transit needs findings.**

**Criteria:** PUC 99401.5 outlines the Unmet Transit Needs process under TDA Article 8. The process requires the RTPA utilize definitions of “unmet transit need” and “reasonable to meet” that are documented by resolution or in the minutes of the agency. While these definitions have been adopted by the Commission, they are not included in the annual findings.

**Condition:** While the ICTC conducts an annual unmet needs process that meets the requirements of the TDA, its definitions of “unmet transit need” and “reasonable to meet” are not typically affirmed as part of the unmet transit needs findings. As a result, this information can be difficult to find for someone who is new to the process, including Commission members and the public alike.

**Cause:** One challenge of a recurring process such as the unmet transit needs process is assuming everyone involved has the same level of information.

**Effect:** By not providing these definitions as part of the process, there is a reduced understanding of which requests should be considered unmet transit needs and which should not during any given year.

**Recommendation:** Reaffirm the ICTC’s definitions of “unmet transit need” and “reasonable to meet” as part of each annual unmet transit needs finding.

**Recommended Action(s):** The ICTC should include these definitions in its annual unmet transit needs finding as part of the introductory material leading into that year’s findings. It should also include the date on which the definitions were adopted by the Commission.

**Timeline:** FY 2023/24.

**Anticipated Cost:** None.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted in a timely manner.	High	Ongoing
Functional Recommendations		Importance	Timeline
1	Reaffirm the ICTC’s definitions of “unmet transit need” and “reasonable to meet” as part of each annual unmet transit needs finding.	Medium	FY 2023/24

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