



FINAL REPORT
JUNE 2019

Lake County/City Area Planning Council

Triennial Performance Audit for FY 2015/16 - FY 2017/18

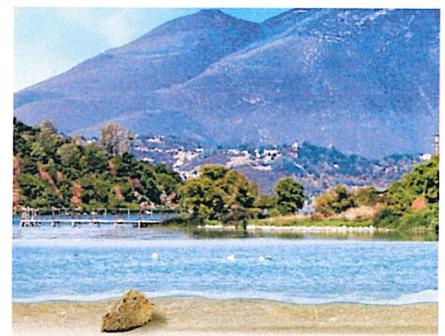


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Chapter 1

Executive Summary

The Triennial Performance Audit of the Lake County/City Area Planning Council (APC) covers a three-year period ending June 30, 2018. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit of themselves and transit operators to which they allocate funding in order to be eligible for continued Transportation Development Act (TDA) funding.

In May 2019, APC selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA as well as for Lake Transit Authority, the operator to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit of APC for the period defined as:

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

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

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

The Triennial Performance Audit includes five elements:

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

Test of Compliance

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

1. In FY 2017/18, Lake Transit Authority's fiscal audit was not completed within the stipulated time period (180 days following the end of the fiscal year plus a 90-day extension).

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Status of Prior Recommendations

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

1. Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.

Status: Not implemented.

Goal Setting and Strategic Planning

The APC establishes goals in its Regional Transportation Plan (RTP). The RTP serves as the backbone for all transportation planning activities in Lake County. The purpose of the RTP is to establish regional goals, identify present and future needs, deficiencies, and constraints, analyze potential solutions, estimate available funding and propose investments. The RTP must be adopted by the APC board of directors.

Findings and Recommendations

Based on a review of key documents and interviews with APC staff, we identified one compliance finding:

1. In FY 2017/18, Lake Transit Authority’s fiscal audit was not completed within the stipulated time period (180 days following the end of the fiscal year plus a 90-day extension).

We identified one functional finding, which is carried forward from the prior audit.

1. The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates, as the Lake County Auditor-Controller does not provide the APC with an estimate of the ensuing year’s LTF apportionment in a timely manner.

In completing this Triennial Performance Audit, we submit the following recommendations for the Lake County/City Area Planning Council 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 Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the TDA fiscal auditor to ensure the LTA’s audit is completed within the timeframe stipulated by the TDA.	Medium	FY 2019/20
Functional Recommendations		Importance	Timeline
1	Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.	Medium	Ongoing

Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit of the Lake County/City Area Planning Council (APC) covers a three-year period ending June 30, 2018. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit of themselves as well as the transit operators to which they allocate funding in order to be eligible for continued Transportation Development Act (TDA) funding.

In May 2016, APC selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA as well as for the Lake Transit Authority, the operator to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

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

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

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

Objectives

The Triennial Performance Audit has four primary objectives:

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



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Scope

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

1. Review of compliance with the TDA requirements and regulations.
2. Assess the implementation of recommendations presented in prior performance audits.
3. Analysis of APC'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 APC as the RTPA included extensive review of documents relevant to the scope of the review, as well as information contained on APC's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit reports for the prior review period (RTPA and operators);
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- TDA and transit funding allocations to operators; and
- Calls for Projects.

The methodology for this review also included interviews on May 20, 2019, with Lisa Davey-Bates (Executive Director), Alexis Pedrotti (Administrative/Planning Assistant), and John Speka (Senior Transportation Planner).

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

2. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
3. Scope and Methodology: Discussion of the review methodology and pertinent background information.
4. Audit Results: In-depth discussion of findings surrounding each of the subsequent elements of the review:
 - Compliance with statutory and regulatory requirements,
 - Progress in implementing prior recommendations,



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- Goal setting and strategic planning,
- Functional review, and
- Findings and recommendations.



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Chapter 3

Program Compliance

This section examines the Lake County/City Area Planning Council's compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with APC 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 APC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner.

1. In FY 2017/18, Lake Transit Authority's fiscal audit was not completed within the stipulated time period (180 days following the end of the fiscal year plus a 90-day extension).



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Exhibit 3.1 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	
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	In compliance	While the RTPA does not have a productivity committee, APC reviews LTA's productivity on a monthly, quarterly, and annual basis. Now that Davey-Bates Consulting has assumed the role of transit manager, this oversight process is even more integrated into APC's activities.
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	Finding	FY 2015/16: March 21, 2017 FY 2016/17: March 29, 2018 FY 2017/18: April 30, 2019
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2015/16: March 29, 2017 FY 2016/17: April 19, 2018 FY 2017/18: April 30, 2019



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Compliance Element	Reference	Compliance	Comments
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller. (Amended to seven months following the end of the fiscal year effective FY 2016.)	CCR 6660	In compliance	FY 2015/16: January 30, 2017 FY 2016/17: January 18, 2018 FY 2017/18: January 31, 2019
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operators audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	Moore & Associates was selected to conduct a triennial performance audit of Lake APC and LTA for FY 2012/13 – FY 2014/15. Moore & Associates was also selected to prepare the triennial performance audit for FY 2015/16 – FY 2017/18.
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	Both audits were submitted to Caltrans on August 12, 2016.
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	Not applicable	



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Compliance Element	Reference	Compliance	Comments
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	In compliance	
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC 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, ○ Analysis of potential alternatives to provide transportation services; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; and • Identified the unmet transit needs or there are no unmet transit needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	



Chapter 4

Prior Recommendations

This section reviews and evaluates the implementation of the prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is to provide assurance the Lake County/City Area Planning Council has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior review – completed in 2016 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2015 – prescribed one functional recommendation.

1. Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.

Discussion: This recommendation is carried forward from the prior audit. While this recommendation has not yet been implemented, it is through no fault of APC staff. Despite changes in staffing, there is little priority placed on this issue by the Auditor’s office. Staff has consistently reached out to the County’s Auditor-Controller regarding this issue. The Executive Director continues to estimate LTF, and has done so fairly accurately for the last several years.

Because no estimate has been provided for more than 10 years, the practice of not doing so is now long established. This presents a significant stumbling block for APC staff, which has little power to resolve the issue.

Progress: The APC has not yet been successful in getting such estimates from the Auditor’s office. It continues to use its established estimating methodology, which has historically been rather accurate.

Status: Not implemented.



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Chapter 5

Goal Setting and Strategic Planning

This chapter analyzes the Lake County/City Area Planning Council’s goal setting and strategic planning process.

APC establishes goals in its Regional Transportation Plan (RTP). The RTP serves as the backbone for all transportation planning activities in Lake County. The purpose of the RTP is to establish regional goals, identify present and future needs, deficiencies, and constraints, analyze potential solutions, estimate available funding and propose investments. The RTP must be adopted by the APC board of directors.

The APC formerly updated its RTP every five years, with the most recent update concluded in 2010. APC staff began working on an update in 2015, but decided it would be beneficial to synchronize RTP updates with the Regional Housing Needs Allocation (RHNA) cycle, which is conducted every eight years. The most recent update, the 2017 RTP, was adopted in early 2018. Moving forward, updates will be made every four years.

The RTP includes a 20-year planning horizon with a focus on seven key elements: Overarching Issues, State Highway System, Local Streets and Roads, Active Transportation, Public Transit, Tribal Transportation, and Aviation. The RTP incorporates prior efforts through previously adopted planning documents, including the Active Transportation Plan, Transit Development Plan, Local Streets and Roads Needs Assessment, and Countywide Roadway Needs Study and Capital Improvement Plan. Public participation was guided by the Lake APC’s 2008 Public Participation Plan and included five workshops in Clearlake, Lakeport, Middletown, and Lucerne; a community survey; outreach to public and private sector agencies and organizations; and outreach to local tribal governments.

At the core of the 2017 RTP are five overarching objectives:

- Coordinate, support and encourage regional planning activities in Lake County across jurisdictional boundaries.
- Support Complete Streets planning to improve connectivity of the transportation system.
- Reduce Greenhouse Gas Emissions by promoting and facilitating transit use and increasing Active Transportation alternatives.
- Reduce and mitigate environmental impacts of current and future transportation projects.
- Increase funding for transportation planning, pre-construction activities, and construction.

Each of the remaining RTP elements included a series of mode-specific goals and objectives.



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RTP Element	Goals	Objectives
State Highway System	Provide a safe, well-maintained, and efficient state highway network that addresses regional and statewide mobility needs for people, goods, and services.	Improve mobility on the state highway system throughout Lake County.
		Improve safety conditions on the state highway system serving Lake County.
		Facilitate efficient and safe transportation of goods within and through Lake County.
Local Streets and Roads	Provide a well-maintained, safe, and efficient local circulation system that is coordinated and complementary to the state highway system and meets interregional and local mobility needs of residents, visitors, and commerce.	Maintain, rehabilitate and construct local streets and roads consistent with local and regional needs, city and County area plans and policies and Complete Streets policies
		Develop multi-modal transportation facilities as needed to adequately serve the mobility needs of residential, commercial and industrial development
		Improve traffic flow, capacity, safety and operations on the local transportation network
		Pursue federal, State, local and private funding sources for transportation system maintenance, restoration and improvement projects consistent with this plan



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RTP Element	Goals	Objectives
Active Transportation	<p>There are multiple goals of Active Transportation in Lake County. These are consistent with the State Active Transportation Program established through Senate Bill 99 (2015) and are:</p> <ul style="list-style-type: none"> • Increase the number of local and regional trips accomplished by bicycling and walking; • Increase the safety and mobility for non-motorized modes of travel; • Advance or promote Active Transportation to achieve greenhouse gas emission reductions consistent with Senate Bill 375 (2008); • Enhance public health, including the reduction of childhood obesity through programs such as the Safe Routes to School; • Ensure that disadvantaged communities fully share in the benefits of the program; and • Provide a broad spectrum of projects to benefit many types of active transportation users 	Facilitate and promote walking, bicycling and other active modes of transportation
		Reduce Greenhouse Gas Emissions and Vehicle Miles Traveled
		Enhance public health through the development of active transportation projects
		Preserve investments in the multimodal transportation system
		Increase funding for transportation planning, design and construction



RTP Element	Goals	Objectives
Public Transit	Provide reliable mobility for all residents and visitors in Lake County	Identify unmet transit needs of residents and visitors of Lake County Establish priorities and design services to meet the mobility needs of transit users Provide a safe and accessible transit system Improve the efficiency of the transit system Support efforts to improve transit service to employment centers, educational institutions, public facilities and medical facilities Maximize funding for transit services and facilities Improve and monitor the security of the transit system
Tribal Transportation	Provide Lake County’s tribal members a safe, effective and functional multimodal transportation system	Consider the transportation needs of tribal members, employees, and customers traveling between tribal communities, housing, employment centers, public service facilities, medical facilities and schools Consult with and involve tribal communities early in the planning and design processes Facilitate access to transportation resources for tribal communities



RTP Element	Goals	Objectives
Aviation	Provide an aviation system with physical and operational facilities that meet the regional and interregional general and commercial aviation needs of Lake County.	Support implementation of Airport Land Use Compatibility Plan (ALUCP), Airport Master Plan and other plans that further improvements to the aviation system
		Improve medical transportation services
		Improve Emergency Response and Recovery
		Support goods movement
		Maximize funding opportunities for aviation planning and improvements



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Chapter 6

Functional Review

A functional review of the Lake County/City Area Planning Council determines the effectiveness 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.

Administration and Management

The Lake APC does not have any direct employees. All functions are provided under contract. During the prior audit period, a single contract that provided both administrative and planning was broken into two separate contracts. During the current audit period, Davey-Bates Consulting provided administrative services and Dow & Associates provided planning services, though the staffing remained largely consistent.

TDA claims are handled in a timely manner. LTA, as the sole transit operator, is satisfied with the RTPA's efficiency and effectiveness. Other entities besides LTA utilize TDA funding for a local match for grant funding. They are satisfied with the APC's efficiency and effectiveness as well. APC staff noted the RTPA frequently reminds these recipients about spending the allocated funds.

The APC has a well-defined set of internal goals and objectives for itself as the RTPA. This is due in part to the APC wanting to do good work, but also because the APC is comprised solely of contracted staff. As a result, both the administrative and planning contracts include a defined scope of work that encompasses all the goals and objectives of each contract, as well as required deliverables such as the Overall Work Program (OWP), Transit Development Plan (TDP), Regional Transportation Plan (RTP), etc.

The current budget is sufficient to accomplish the RTPA's goals. Both contracts have just been extended, as the current five-year contracts expire September 30, 2019. Staff has been negotiating another extension. The contract term included five one-year extensions; though the APC board would prefer a single five-year extension. In negotiating the extension, APC staff discussed finances and available funding with the Board, and feels that things are still working out. The administrative contractor anticipates hiring one more clerical/administrative person and elevating two current staffers from administrative positions. The current budget is sufficient to support this change.

One of the APC's primary accomplishments during the audit period was the development of a new CTSA program. For about nearly the last decade, APC (in coordination with LTA) has been wanting to establish a non-profit organization, which would assume CTSA functions. Within the last year (February 2019) the APC finally accomplished this goal. The new program (Lake Links) was initially funded using three FTA Section 5310 grants and employs a mobility manager. The program also includes a "Pay your Pal" program to reimburse volunteer drivers. CTSA responsibilities were transferred over to the program in



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April 2019. While this program did not launch until after the end of the current audit period, much of the preparation and planning took place over the past three years. There is a lot of room to grow in the next three years. This is a significant achievement for the APC that has the potential to really affect a lot of residents.

The APC has been successful in acquiring grants; it recently included four new grants in its work program. In addition, APC has had consistently “clean” fiscal audits.

Davey-Bates Consulting, APC’s administrative contractor, recently assumed the duties of LTA’s Transit Manager when LTA’s long-term consultant retired. This has allowed the consultants to become more efficient in addressing challenges. Now there are only two transit-related consultants instead of three. There was significant support from the APC Board for Davey-Bates Consulting to provide transit management services for LTA as well as administrative services for the APC. This whole process was documented as part of the succession planning that took place prior to the Transit Manager’s retirement.

APC also has several construction projects in the works. It is getting ready to start construction for one of three segments of Highway 29, a project that has been in the works for 20 years. This is a huge achievement. Another significant construction project is the relocation of the county’s transit hub. The current transit hub consists of three side-by-side shelters in front of Walmart. APC is purchasing land from County to construct the new transit hub, which will feature a Park and Ride lot, interregional transit hub, and bike lockers. APC has \$200,000 already dedicated for plans, specs, and estimate (PS&E), but is still looking for funding for construction.

One of the biggest challenges during the audit period has been cash flow issues. One thing that is difficult for some of the rural areas is dealing with reimbursements and paying for consultants and operators up front. It can be tricky to keep things flowing toward the end of the fiscal year. APC tries to get everything in as quickly as possible to get process and paid. This can be especially challenging with Section 5311 funding, as funds must be expended before a request for reimbursement can be submitted.

The retirement of LTA’s long-time Transit Manager consultant also presented a challenge, as he has served in that role for 20 years. Any replacement would need rural experience, but LTA cannot afford a big budget. Davey-Bates Consulting wound up reshuffling its own staff internally so it could fulfill the Transit Manager role. This is a challenge common to Lake County – some of the local agencies also have difficulties recruiting qualified candidates to fill positions due to the retirement of long-time directors and managers. Even when a qualified replacement is found, there is still often a gap in knowledge.

The APC Board meets regularly on the second Wednesday of every month, though July and January are typically dark. Most members attend most meetings, and the Board almost always has a quorum. One challenge is keeping the two at-large positions filled. At present, only one of the positions is filled. The APC Board also has an Executive Committee.

Consultant staffing is sufficient for both the administration and planning elements of the APC’s operation. There is virtually no turnover rate. The only recent significant change is the retirement of Dow & Associates’ Executive Director, who took an unexpected retirement about one year ago. This



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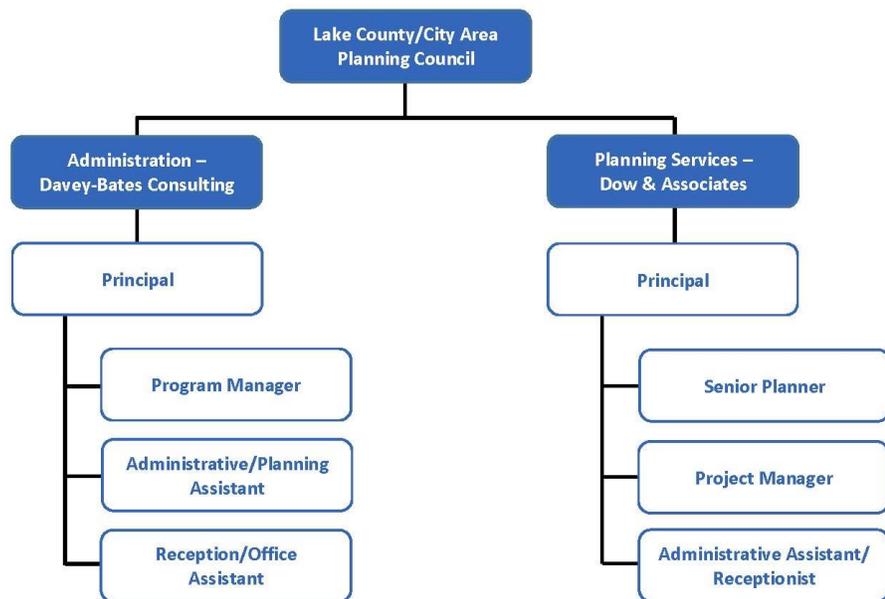
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resulted in a staffing “swap” between consultants, as one of Davey-Bates Consulting’s staffers went to Dow & Associates to serve as the Executive Director, while one of Dow & Associates’ planners went to Davey-Bates Consulting to serve as the transit program manager. As a result, the same staff continued the work, just in different roles. Other than that, there has been virtually no turnover. Davey-Bates Consulting anticipates hiring a new administrative/clerical staffer during FY 2018/19.

All staff receive regular training, including attendance at Caltrans academies, workshops, CalACT, Board secretary conference training, etc.

Exhibit 6.2 Organizational Chart



Source: Lake APC, FY 2017/18.

Transportation Planning and Regional Coordination

Dow & Associates is responsible for the development of Lake County’s Regional Transportation Plan (RTP). Dow & Associates’ senior planner was hired in November 2016, just a few months before the start of the most recent update. He noted there was no better way to learn about the RTP process than to prepare one. He started by reviewing the last couple of RTP updates, then applied what he had learned to the development of the 2017 update. The 2017 update is the first one with a shorter cycle that puts it in sync with Regional Housing Needs Assessment update (as a result of SB 375). The RTP was adopted very end of 2017 and will be updated every four years. The RTP still used the 2010 guidelines because of when it was due, though the APC tried to use the 2017 guidelines as much as possible. The big focus was on greenhouse gas reductions and more active transportation. For most transportation modes, the APC is looking at ways to reduce greenhouse gas emissions. Improvements to Highway 29 have been in the RTP for more than 20 years. The APC has been very successful in receiving grant funding for active transportation planning and construction in the county. There has been definite progress in the last cycle or two, and the APC has been able to implement some of the past projects. Lake County and the cities have received grants as well.

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The 2017 RTP includes a 20-year planning horizon with a focus on seven key elements: Overarching Issues, State Highway System, Local Streets and Roads, Active Transportation, Public Transit, Tribal Transportation, and Aviation. The RTP incorporates prior efforts through previously adopted planning documents, including the Active Transportation Plan, Transit Development Plan, Local Streets and Roads Needs Assessment, and Countywide Roadway Needs Study and Capital Improvement Plan. Public participation was guided by Lake APC's 2008 Public Participation Plan and included five workshops in Clearlake, Lakeport, Middletown, and Lucerne; a community survey; outreach to public and private sector agencies and organizations; and outreach to local tribal governments.

The Lake APC does not use modeling for its RTP. For a small county, it is very labor- and cost-intensive to maintain an up-to-date model, and Lake County does not have the expertise to do so. In the past, APC used the Wine Country Interregional model, which was a bit dated. A Microsym model was developed in the last five years, and it has been used on a few area-specific project. The APC also relies on Caltrans for some project modeling.

Claimant Relationships and Oversight

While the APC does not have a productivity committee, operator productivity is monitored on a regular basis. The APC is in constant contact with the operator through the transit manager and the operations contractor's project manager. The contractor provided back-up documentation monthly and staff review detailed spreadsheets. Updates are provided to the Board on a monthly basis. Transit productivity is also discussed during SSTAC and TAC meetings, as well as at monthly public meetings. There are also frequent reports to the LTA board. A quarterly report looks at both productivity and cost, and metrics are closely tracked.

Standard performance metrics are used to monitor operator productivity. All tracked in quarterly reports. If any of the metrics shift much, staff hone in on it. Such shifts can usually be tracked to a specific cause.

The APC provides a significant amount of assistance to LTA, including both planning and marketing. The APC is currently at the end of a bus passenger facility plan, and is doing the majority of the work for the transit hub relocation. The APC also prepared LTA's last TDP and marketing plan, and manages the coordinated plan for Lake County.

Marketing and Transportation Alternatives

The APC undertakes a considerable amount of marketing on behalf of LTA. Recently, the APC has used LCTOP funds to provide free fares to Mendocino College, and has been providing all marketing for that program. The APC is also marketing LTA's student pass program, prints LTA's rider guides, prepared onboard marketing, and maintains the LTA website. Outreach is conducted to both market LTA as well as received feedback from the public regarding ongoing projects (such as the transit hub relocation plan).

Surveys were conducted as part of the marketing plan. The APC has included funding for additional surveying of college students as part of its current work program. LTA also did a significant amount of surveying as part of the bus passenger facilities plan in order to determine what the needs were with respect to improvements (furniture, signage, information, etc.). LTA also staffs an information booth at the Lake County Fair.

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The APC does not have any transportation alternative programs (such as ridesharing). The new Lake Link nonprofit is the nearest thing. The APC is actively looking at different ways of partnering with other agencies to provide trips for people beyond paratransit or transit.

In the past few years, the APC has had a program that provided rides up to Mt. Konocti for persons who are senior and/or disabled. The service is resuming this year after it was suspended due to a lawsuit regarding dust and damages from the buses.

Grant Applications and Management

Several APC staff participate in the preparation of grant applications for both the APC and LTA. The APC typically pursues grants for both planning and capital projects. Some recent projects have included the Eleventh Street Corridor Study, traffic calming and pedestrian/bike safety on Highway 20, and a countywide pedestrian needs inventory. The APC maintains a list of approximately 40 projects throughout all areas of the county. The APC's applications for ATP cycles tend to be very competitive, as it already has a list of prioritized projects. Other grants include the bus passenger facilities plan, TDP and marketing plans, and the transit hub relocation plan. The APC usually has one to two transit-related grants in its work program at all times.

One thing that has been beneficial to the transit system is that APC Board has retained and maintained a small contract with the prior LTA transit management consultant (Mark Wall) for about \$20,000 per year to support the transition. This additional support has been very beneficial to the process and helps to ensure things do not get missed. Mark Wall is a wealth of information, and having him available through the transition period has benefitted both the APC and LTA.



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Findings and Recommendations

Conclusions

With one exception, we find the Lake County/City Area Planning Council, 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 a review of key documents and interviews with APC staff, we identified one compliance finding:

1. In FY 2017/18, Lake Transit Authority's fiscal audit was not completed within the stipulated time period (180 days following the end of the fiscal year plus a 90-day extension).

We identified one functional finding, which is carried forward from the prior audit:

1. The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates, as the Lake County Auditor-Controller does not provide the APC with an estimate of the ensuing year's LTF apportionment in a timely manner.

Elements of Findings and Recommendations

In completing this Triennial Performance Review, Moore & Associates submits the following findings and recommendations for the Lake County/City Area Planning Council. They have been divided into two categories: TDA Program Compliance Findings and Recommendations and Functional Findings and Recommendations. TDA Program Compliance Findings and Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Findings and Recommendations address issues identified during the TPA that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: In FY 2017/18, Lake Transit Authority's fiscal audit was not completed within the stipulated time period (180 days following the end of the fiscal year plus a 90-day extension).

Criteria: PUC Section 99245 requires the RTPA ensure all claimants to which it allocates 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 (or 270 days if a 90-day extension is granted).

Condition: In FY 2017/18, the LTA's TDA fiscal audit was submitted on April 30, 2019, one month following the 180-day deadline with the 90-day extension.

Cause: The TDA (CCR 6662) requires that an RTPA submit its fiscal audit within 12 months of the end of the fiscal year. However, the deadline for transit operators is considerably sooner (180 days following



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the end of the fiscal year, or 270 days if a 90-day extension is granted). Therefore, while both audits are dated the same day, LTA's is out of compliance while the APC is in compliance. This is an issue that should be addressed via the TDA auditor's professional contract.

Effect: When TDA fiscal audits are submitted beyond the established deadline, entities are out of compliance with the TDA. This affects the disbursement of TDA funds.

Recommendation: Work with the TDA fiscal auditor to ensure LTA's TDA fiscal audits can be completed within the TDA-stipulated timeframe.

Recommended Action(s): The APC's staff should work with its TDA fiscal auditor to ensure appropriate deadlines are built into the contract and that those deadlines are being met. A TDA auditor should be well aware of the requirements of the TDA with respect to fiscal audit submittal, and should be held accountable should those deadlines not be met. If an audit cannot be completed within the 90-day extension, the reason for the delay should be documented so that the next triennial performance auditor can determine where the cause of the late submittal lies (i.e., delay on the part of the auditor or delay on the part of the entity being audited).

Timeline: FY 2019/20 (for FY 2018/19 reporting).

Anticipated Cost: Negligible.

Functional Finding 1: The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates, as the Lake County Auditor-Controller does not provide the APC with an estimate of the ensuing year's LTF apportionment in a timely manner.

Criteria: This recommendation is carried forward from the prior audit. Transportation Development Act regulations state in Article 3, Section 6620: "Prior to February 1 of each year, each county auditor shall furnish to the transportation planning agency an estimate of moneys to be available for apportionment and allocation during the ensuing fiscal year."

Condition: The APC has not historically received an estimate of the coming fiscal year's Local Transportation Fund (LTF) apportionment from the County's Clerk-Auditor. While staff has consistently reached out to the County's Auditor-Controller regarding this issue, it is perceived as a low priority for the Auditor's office. The Executive Director continues to estimate LTF, and has done so accurately for the last several years.

Cause: Changes in staffing within the Auditor's office, a lack of understanding regarding the TDA, and overall lack of priority for this requirement are all contributing factors. In addition, since the APC's Executive Director is able to effectively estimate LTF for budgetary purposes, the Auditor's office may not understand the importance of providing these estimates.

Effect: The APC continues to not conform to TDA regulations with respect to LTF.

Recommendation: Continue to work with the County's Auditor-Controller to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.



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Recommended Action(s): The APC’s Executive Director should continue to reach out to the County Auditor-Controller’s office regarding the annual LTF estimate. Alternately, the APC could work with Caltrans to become exempt from this requirement, and thereby invalidate future recommendations.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Exhibit 8.1 Summary of Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the TDA fiscal auditor to ensure the LTA’s audit is completed within the timeframe stipulated by the TDA.	Medium	FY 2019/20
Functional Recommendations		Importance	Timeline
1	Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.	Medium	Ongoing



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