

Del Norte  Local Transportation Commission

FY 2019-2021

**Triennial Performance Audit of
Del Norte Local Transportation
Commission**

Final Draft

Submitted to

Del Norte Local Transportation Commission

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Submitted by

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INTERNATIONAL

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Executive Summary

The Del Norte Local Transportation Commission (DNLTC; Commission) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit for fiscal years (FY) 2018–19 through 2020–21. DNLTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding. TDA funds are expended for DNLTC administration and planning and for distribution to local jurisdictions for nonmotorized projects and operations of public transit systems.

This performance audit is intended to describe how well DNLTC is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, Michael Baker International conducted interviews with the executive director and Commission members, reviewed various documents, and evaluated DNLTC’s responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

Compliance with TDA Requirements

DNLTC has satisfactorily complied with the applicable state legislative mandates for Regional Transportation Planning Agencies (RTPAs).

Status of Prior Audit Recommendations

DNLTC partially implemented two of three prior that pertained to an annual TDA fiscal audit of the CTSA, and the development of performance metrics to evaluate the cost effectiveness of the CTSA. The recommendation to expand the role of the SSTAC is no longer applicable. The partially implemented recommendations are carried forward for full implementation.

Functional Review

1. DNLTC conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. The executive director advocates for funding and delivery of key infrastructure projects. Preparation and presentation at key meetings have resulted in significant funding being allocated to Del Norte, most recently \$45 million for environmental work to further

improvements to Last Chance Grade on Highway 101 and being granted limited defendant-intervenor status in the case involving the Highway 199 Goods Movement and Bridge Project.

3. External and open communication with local communities, such as in-person meetings and workshops with stakeholder groups and agencies, as well as with each of the tribal governments, has bolstered efforts by the Commission. These outreach efforts demonstrate the collaboration between DNLTC staff and the commissioners to efficiently use existing agency resources.
4. The Overall Work Plan (OWP) developed by the executive director in collaboration with the Technical Advisory Committee (TAC) and the commissioners guides the annual work effort. A significant program that is contained in the OWP and implemented by DNLTC is a storm damage reduction planning element to collect and analyze information to assist with a regional drainage infrastructure audit. This work element builds upon the Climate Change and Stormwater Management Plan effort.
5. The most recent Regional Transportation Plan (RTP) for the Del Norte region was developed and adopted in March 2021. The 2020 RTP incorporates program-level performance metrics that are used to help select RTP project priorities and monitor how well the transportation system is functioning. DNLTC solicited comment on regional transportation issues from a wide variety of groups. Since the RTP development commenced shortly before the onset of the COVID-19 pandemic, an amended public outreach campaign was conducted to conform with social distancing guidelines. A community meeting was conducted over the Zoom videoconferencing platform and included a presentation on the draft RTP elements.
6. In January 2021, DNLTC adopted the *Coordinated Public Transit Plan*, which was an update to the *2015 Coordinated Public Transit – Human Services Transportation Plan for Del Norte County*. The Coordinated Plan was prepared by the Center for Business and Policy Research, University of the Pacific under contract to the state.
7. In an effort to go beyond the minimum requirements, DNLTC conducted the unmet transit needs process during the audit period. The process includes holding an unmet transit needs public hearing, consulting with the Social Services Transportation Advisory Council (SSTAC) and prioritizing unmet needs, reading, and reaffirming the definitions of “unmet transit needs” and “reasonable to meet,” and adopting a resolution certifying the unmet needs findings.

Recommendations

Three recommendations are provided to improve DNLTC’s administration and management of the TDA and its organization. Each recommendation is described in detail in the last section of this audit and is summarized below.

Performance Audit Recommendation	Background
<p>1. Engage RCTA to commission an annual TDA fiscal audit of the CTSA.</p>	<p>This recommendation is carried forward from the prior performance audit for full implementation. DNLTC provides LTF under Article 4.5 to the designated CTSA, currently RCTA. During the audit period, DNLTC started requiring an audit of CTSA funds concurrent with the RCTA annual fiscal audit. The audit of CTSA funds is included in the <i>DNLTC Audited Financial Statements and Independent Auditor’s Report</i> for fiscal years 2020 and 2021. References to the CTSA are contained the Statement of Changes in Net Positions – Fiduciary Funds. The fiduciary statements provide information about the cash balances and activities of these funds. These statements are separate from, and their balances are excluded from, the Commission's financial activities.</p> <p>However, a review of the annual RCTA TDA Funds Basic Financial Statements (<i>Audited</i>) completed during the audit period, do not include an audit of Article 4.5 funds that are claimed for the purpose of conducting CTSA activities. It is suggested that DNLTC continue to work the RCTA general manager in ensuring that CTSA funds are included the claimant’s fiscal audit.</p>
<p>2. Foster the development of performance metrics to evaluate the cost effectiveness of the CTSA.</p>	<p>This recommendation is carried forward from the prior performance audit for full implementation. Performance metrics and baseline data have been included in <i>the RCTA Short-Range Transit Plan (SRTP), Fiscal Years 2019–20 to 2024–25</i> for existing general public transit services. Chapter 7 of the SRTP contains the CTSA Implementation Plan, which sets forth a plan for implementation of two new programs for RCTA to undertake as the CTSA for Del Norte County: Travel Training and ADA Eligibility Certification. However, the implementation plan does not include specific performance metrics for these two CTSA programs to evaluate their cost effectiveness. As the CTSA, RCTA launched the two programs in January 2020 after consultations with the SSTAC and DNLTC. In August 2019, the RCTA Board approved the procurement of GetGoing software and hosting from Jigsaw Analytics Group to manage CTSA activities. The software contains a module that can generate reports and dashboards. Having this tool will enable the CTSA to develop metrics and monitor performance of the two programs that were recently launched. It is suggested that DNLTC work with RCTA in the development of program metrics based on industry best practices.</p>

Performance Audit Recommendation	Background
<p>3. Develop strategies and protocols for succession planning.</p>	<p>The current DNLTC executive director has served in the role since 2006. The executive director is a contract employee and manages all agency matters internally and externally and also serves as the Clerk of the Board, providing notification of meetings and preparing Commission agendas. Staff reports to the Commission are concise and straightforward and provide the Commissioners with discussion of the topics. Commissioners interviewed for this audit have expressed high confidence in the executive director's ability to administer the affairs of the Commission in competent and thorough manner. One commissioner had questions about succession planning should the executive director decide to retire. It was suggested that the issue of succession planning be addressed in the OWP. Moreover, the executive director and the Commission are encouraged to discuss strategies and protocols regarding administrative succession at a Board retreat or during a regularly scheduled meeting.</p>

Section I

Introduction – Initial Review of DNLTC Functions

The Del Norte Local Transportation Commission (DNLTC; Commission) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2018–19 through 2020–21. DNLTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding.

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

Overview of Del Norte County and DNLTC

Del Norte County is located in the northwest corner of California, topographically defined by its rugged coastline and redwood forests. The county is bordered by Humboldt County to the south, the state of Oregon to the north, the Pacific Ocean to the west, and Siskiyou County to the east. The elevation ranges from sea level along the coast to 6,415 feet above sea level at Bear Mountain. The county’s geographical land area encompasses 1,060 square miles and is traversed by 782 miles of roadway. The main north–south highway is US Highway 101 (US 101), which runs parallel to the coast and connects the county with Humboldt County and Oregon. The major east–west highway is US 199, which runs along the Smith River from US 101 toward the Oregon border. Other state highways that traverse the county include State Routes (SR) 169 and 197. The local economy is driven by industry sectors such as agriculture, including forestry and fisheries, construction, manufacturing, government, retail, and travel and recreation. A demographic snapshot of the county is presented in Table I-1.

**Table I-1
Del Norte County Demographics**

City/Jurisdiction	2020 Population*	Change from 2018 Population (%)	Population 65 Years & Older (%)	2022 California DOF Estimates	Land Area (in square miles)
Crescent City	4,464	+10.2%	10.80%	6,060	1.96
Unincorporated Areas	20,625	+1.5%	20.01%	21,158	1,058.24
Total Del Norte County	25,089	+2.9%	17.80%	27,218	1,060.20

Source: 2021 Del Norte County Economic and Demographic Profile for population; 2020 US Census for Population 65 Years and Older and Land Area; California Department of Finance 2022 Population Estimates

*Population data does not include incarcerated population.

The population (non-incarcerated population) has increased over the past several years as indicated in the table. Over a three-year period from 2018–2020 (most recent data from 2021 Del Norte County Economic and Demographic Profile), the population in Crescent City increased by 10.2 percent, by 1.5 percent in the unincorporated areas, and by 2.9 percent countywide. The senior citizen population, comprising residents aged 65 and over, is 17.80 percent countywide using 2020 Census data. When including the population of Pelican Bay State Prison, the 2022 population for Crescent City is 6,060 as reported by the California Department of Finance. Unincorporated communities and census-designated places include Bertsch-Oceanview, Fort Dick, Gasquet, Hiouchi, Klamath, and Smith River. The local federally recognized Native American tribes are the Tolowa Dee-ni' Nation, Elk Valley Rancheria, Yurok Tribe, and Resighini Rancheria.

In its capacity as a Regional Transportation Planning Agency (RTPA) for TDA administration, DNLTC administers and allocates TDA revenues to eligible claimants, including local jurisdictions for bike and pedestrian projects, the Consolidated Transportation Services Agency (CTSA), and the transit operator. DNLTC's total budgeted TDA allocations for administration and plans/programs during the fiscal years addressed by this audit were \$71,009 in FY 2018–19, \$48,606 in FY 2019–20 and \$46,233 in FY 2020–21. This represents a budget reduction from about 11.5 percent to 5.7 percent over the three-year period for TDA administration and plans/programs.

Role and Structure of DNLTC

DNLTC is one of 43 RTPAs in California, created pursuant to Section 29532 of the California Government Code. The principal purpose of RTPAs in rural areas is to:

- Prepare and adopt planning and programming documents required by law, and
- Allocate funds and administer various funding programs that involve cities, counties, and transit operators.

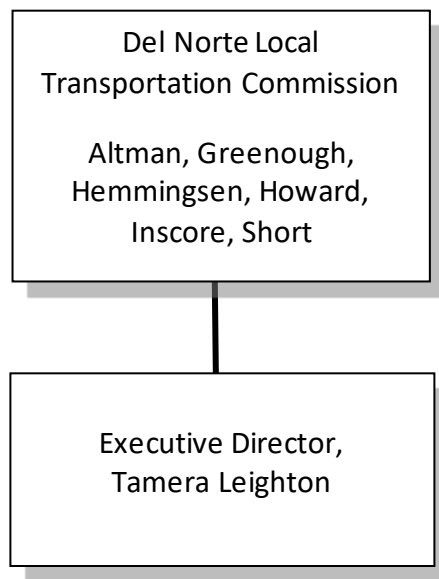
Specific to its role, DNLTC was created pursuant to Title 3, Division 3, Chapter 2 of California Government Code Section 29535. The mission of DNLTC is to prepare, plan, and fund transportation programs for the citizens of Del Norte County. As a local transportation commission serving a rural area, DNLTC is limited to dealing only with transportation planning issues. It is responsible for the planning and programming of transportation-related funding and projects including the Regional Transportation Plan (RTP) and the Regional Transportation Improvement Program (RTIP) required by state and federal law. In addition, DNLTC guides the following:

- Approval of the allocation of and claims for TDA funds;
- Provision for the distribution and oversight of Local Transportation Fund (LTF) monies;
- Preparation and submission of applications for transportation-related funds;
- Preparation of the annual Overall Work Program (OWP) and OWP Progress Reports;

- Intergovernmental review and comment on other Caltrans highway planning projects; and
- Encouragement of active citizen participation in the development and implementation of various transportation-related plans and programs.

DNLTC is administered by an executive director, who is a private planning and community development consultant retained by the Commission. An organization flow chart of DNLTC and its member agencies and committees during the audit period is shown in Figure 1.

**Figure 1
DNLTC Organizational Chart**



Source: DNLTC

DNLTC’s offices are located in Crescent City. Meetings of the Commission are convened in the Del Norte Board of Supervisors Chambers located at the Flynn Administrative Center, 981 H Street in Crescent City. To meet the requirements of the Brown Act, DNLTC posts agendas at the City of Crescent City Public Works Department and the County of Del Norte Community Development Department. With the onset of the COVID-19 pandemic, meetings have been conducted over the Zoom videoconferencing platform. The executive director provides support to the Commission as well as to the advisory and standing committees as described below.

DNLTC – Commission: As the principal governing body, the Commission is composed of six members: three Del Norte County supervisors and three Crescent City council members. With the addition of the Caltrans District 1 director (or alternate), the Commission becomes the Policy Advisory Committee. The Policy Advisory Committee advises the Commission on all policy matters related to regional transportation planning. The Commission meets the first Tuesday of the month at 3:00 p.m.

Technical Advisory Committee (TAC): The TAC is composed of planning and public works representatives from the County of Del Norte and the City of Crescent City appointed by the Board of Supervisors and the City Council. In addition, there are representatives from Caltrans's Transportation Planning Branch, the California Highway Patrol, the Redwood Coast Transit Authority (RCTA), the Crescent City Harbor District, and the Yurok Tribe. The purpose of the TAC is to review the technical merits of various issues and projects as well as to coordinate the plans and development of regional transportation improvement programs of projects, transportation planning programs, and transportation funding programs. The committee meets the last Tuesday of the month at 2:00 p.m. in the Wastewater Treatment Plant Community Room located at 210 Battery Street in Crescent City.

Social Services Transportation Advisory Council (SSTAC): The SSTAC is DNLTC's only standing committee statutorily (PUC Section 99238) created to serve a broad representation of seniors, persons with disabilities, persons of limited means, social service agencies, and the transit dependent. The SSTAC is composed of the following representation:

- A representative of potential transit users who are disabled;
- A representative of the CTSA;
- A representative of the local social services provider for seniors;
- A representative of a services provider for disabled people;
- A representative of potential transit users who are 60 years of age or older;
- A representative of the local social services provider for people of limited means; and
- A representative of a minority group/geographic locale.

The council's three tenets are to participate in the identification of transit needs; to participate in the unmet transit needs process; and to advise the Commission on any major transit issues, including the coordination and consolidation of specialized transportation services. The SSTAC generally meets twice a year or as needed.

Transit Operator Oversight

During the audit period, DNLTC approved TDA fund claims for and monitored two transportation claimants, RCTA and the CTSA. RCTA, the county's public transportation service, is administered under a joint powers authority composed of the County of Del Norte and the City of Crescent City and is operated by a private contractor, First Transit. The RCTA general manager is an independent contractor who answers directly to the five-member RCTA Board. The general manager provides executive-level management services for RCTA and oversees the performance of First Transit. CTSA designation was assigned to RCTA by DNLTC in June 2018. In August 2019, the RCTA Board approved contracts (plus a software purchase) that enabled the January 2020 launch of two new CTSA programs that the RCTA Board and staff had been discussing and

planning over a two-year period. First Transit local RCTA operations staff provides extra CTSA support work and take the lead on the travel training program.

Audit Methodology

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

Document Review: Conducted an extensive review of documents, including various DNLTC files and internal reports, committee agendas, and public documents.

Interviews: Interviewed DNLTC's executive director and commissioners to gain their perspective about the agency's efficiency and economy.

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

All of the activities described above were intended to provide Michael Baker International with the information necessary to assess DNLTC's efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements
- Organizational management and efficiency

The remainder of this report is divided into four chapters. In Section II, Michael Baker International reviews the compliance requirements of the TDA administrative process. Section III describes DNLTC's responses to the recommendations included in the previous performance audit. In Section IV, we provide a detailed review of DNLTC's functions, while Section V summarizes our findings and recommendations.

Section II

DNLTC Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, which was developed by Caltrans. Our findings concerning DNLTC’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>DNLTC accounts for its claimants’ apportionment and has not allowed those claimants to claim more than what is apportioned for their areas.</p> <p>After allocations for DNLTC administration and planning and for bicycle and pedestrian projects, 5 percent of the remaining LTF revenue is allocated to the CTSA, with the remainder to RCTA. The Commission annually adopts a resolution approving each LTF allocation.</p> <p>Conclusion: Complied.</p>
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	Public Utilities Code, Sections 99233.3 and 99234	<p>DNLTC provides guidance on its TDA claims form for the submission of claims for pedestrian and bicycle projects. Although DNLTC has not formally adopted rules and regulations for delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrian and bicycle projects,</p>

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

Compliance Requirement	Reference	Compliance Effort
		<p>DNLTC does adhere to the standard format for allocating claims under Article 3 toward such projects.</p> <p>Per the goals established in the <i>2017 Del Norte Active Transportation Plan</i>, DNLTC annually adopts a resolution allocating 2 percent of remaining LTF after the allocation for TDA administration and planning.</p> <p>The TAC decides which jurisdiction can claim the funds. Claimants then submit a written request and an invoice for reimbursement for bicycle and pedestrian projects undertaken. Claims are approved by the Commission through a resolution.</p> <p>Conclusion: Complied.</p>
<p>The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>The role of the SSTAC is to aid the Commission in its review of transit issues, with an emphasis on the annual identification of transit needs in Del Norte County. The SSTAC meets twice a year and as needed and participates on a number of issues including an annual public hearing to ensure citizen participation in the transit process and coordination of specialized transportation services.</p> <p>The SSTAC membership requirements conform to the</p>

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

Compliance Requirement	Reference	Compliance Effort
		<p>stakeholder categories pursuant to PUC Section 99238, including geographic and minority representation. However, DNLTC noted that not all member positions were filled.</p> <p>Conclusion: Complied.</p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation. 	<p>Public Utilities Code, Section 99244</p>	<p>Transit performance data is provided to DNLTC through annual reports produced by the RCTA and through the TDA claims submitted by the transit claimants.</p> <p>DNLTC has not established a separate committee for the purpose of advising on productivity improvements (e.g., transit operators committee); however, the TAC and SSTAC fulfill that function. DNLTC commissions short-range transit plans such as the update to the <i>Redwood Coast Transit Authority Short Range Transit Plan (SRTP) FYs 2019–20 to 2024–25</i>. The plan reviews the transit needs of the region and the cost-effectiveness of existing routes and services. RCTA has its own governing board, which is tasked with reviewing the productivity of transit services in Del Norte County.</p> <p>The triennial performance audit of RCTA also serves as a</p>

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

Compliance Requirement	Reference	Compliance Effort
		<p>productivity improvement document.</p> <p>Conclusion: Complied.</p>
<p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	<p>Public Utilities Code, Section 99245</p>	<p>DNLTC maintains records of all TDA claimants that submit an annual certified fiscal and compliance audit. The firm of R.J. Ricciardi, Inc. was retained to conduct the fiscal audits of the public transit claimant, RCTA. The following fiscal audits were completed:</p> <p>RCTA: FY 2019: January 20, 2020 FY 2020: February 19, 2021 FY 2021: December 24, 2021</p> <p>Conclusion: Complied.</p>
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year</p>	<p>Public Utilities Code, Sections 99246 and 99248</p>	<p>For the current three-year period, DNLTC has retained an independent entity, Michael Baker International, to conduct the audit of DNLTC and the transit operator.</p> <p>Michael Baker International was retained to conduct the previous audit for the three fiscal years that ended June 30, 2018. The operator audit calculated the required performance indicators, and the audit report was transmitted to Caltrans and DNLTC in May 2019.</p> <p>Conclusion: Complied.</p>

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

Compliance Requirement	Reference	Compliance Effort
<p>following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.</p>		
<p>The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.</p>	<p>Public Utilities Code, Section 99246(c)</p>	<p>The performance audits are submitted via email to the Caltrans Division of Mass Transportation certifying completion of the performance audits from the previous triennium. DNLTC submitted the audits in May 2019.</p> <p>Conclusion: Complied.</p>
<p>The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a</p>	<p>Public Utilities Code, Section 99246(d)</p>	<p>DNLTC commissions a performance audit of the transit operator providing service in its jurisdiction, which includes all required TDA performance measures plus additional indicators to further assess the operator's efficiency, effectiveness, and economy with the use of TDA funds.</p> <p>Conclusion: Complied.</p>

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.		
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Public Utilities Code, Sections 99270.1 and 99270.2	The transit service in Del Norte County operates in a nonurbanized area. Conclusion: Not Applicable.
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.	Public Utilities Code, Section 99275.5	DNLTC has established 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 community transit services provided. The designated CTSA during the audit period was RCTA. Conclusion: Complied.
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3	DNLTC allocates State Transit Assistance (STA) funds for transit operations and capital pursuant to state statutes. Conclusion: Complied.
The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its	Public Utilities Code, Section 99314.3	DNLTC administers STA funds in accordance with the relevant PUC requirements (i.e., on the basis of population and operator revenues). Conclusion: Complied.

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

Compliance Requirement	Reference	Compliance Effort
jurisdiction as allocated by the State Controller’s Office.		
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ✓ Groups that are transit-dependent or transit-disadvantaged; ✓ Adequacy of existing transit services to meet the needs of groups identified; and ✓ Analysis of potential alternatives to provide transportation alternatives. • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; 	Public Utilities Code, Section 99401.5	<p>DNLTC allocates all of the TDA funds apportioned to Del Norte County to purposes directly related to public and/or specialized transportation services or facilities for the exclusive use of pedestrians and bicycles.</p> <p>Given that all TDA funding is allocated to the aforementioned purposes, DNLTC holds at least one annual public hearing for the purpose of soliciting comments on any unmet transit needs that may exist.</p> <p>The definitions of “unmet transit needs” and “reasonable to meet” have been adopted pursuant to Resolution No. 1988-1 and certified by Resolution No. 2018-18. The SSTAC reviews any public comments and requests received and creates a priority list of needs. A determination is made, and the findings reaffirmed through a resolution by the Commission.</p> <p>Conclusion: Complied.</p>

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

Compliance Requirement	Reference	Compliance Effort
<ul style="list-style-type: none"> • Identified the unmet transit needs and those needs that are reasonable to meet; • Adopted a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>		
<p>The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and</p>	<p>California Administrative Code, Section 6662</p>	<p>DNLTC has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firm of Harshwal & Company LLP was retained to conduct the fiscal audits during the period.</p> <p>The completion dates were:</p> <p>FY 2019: November 20, 2019 FY 2020: November 20, 2020 FY 2021: October 18, 2021</p> <p>DNLTC also maintains fiscal and accounting records and supporting papers for at least</p>

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
accompanying rules and regulations. Financial statements may not commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.		four years following fiscal year close. Conclusion: Complied.

Findings from DNLTC Compliance Requirements Matrix

DNLTC has satisfactorily complied with the applicable state legislative mandates for RTPAs. One non-applicable compliance mandate involves the establishment of rules and regulations regarding revenue ratios for transit operators providing services in urbanized and newly urbanized areas.

To ensure compliance with unmet transit needs requirements, DNLTC holds at least one public hearing annually and consults with the SSTAC for the purpose of soliciting comments and prioritizing unmet needs. DNLTC also conducts a formal unmet transit needs process with the SSTAC and reaffirms the definitions of “unmet needs” and “reasonable to meet.”

Section III

Responses to Prior Triennial Performance Audit Recommendations

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

Prior Recommendation 1

Commission an annual TDA fiscal audit of the CTSA.

Background: DNLTC provides LTF under Article 4.5 to the designated CTSA, currently RCTA. During the audit period, the CTSA at the time, Community Assistance League and then Sutter Coast Hospital, were to provide assistance for non-emergency medical trips outside of Del Norte County. PUC Section 99245 states that the transportation planning agency is responsible to ensure that all claimants to whom it directs the allocation of funds submit an independent annual certified fiscal audit to the agency and to the State Controller. The requirement for this fiscal audit is applicable to all transportation providers receiving TDA funds. It was suggested that DNLTC work with the CTSA, now RCTA, to identify the means of including Article 4.5 funds in its annual financial audit should these funds be claimed separate from general public service and used for CTSA purposes. California Code of Regulations Sections 6664 and 6667 of the TDA describe the approach and data required in the fiscal audit of the claimant.

Actions taken by DNLTC:

During the audit period, DNLTC started requiring an audit of CTSA funds concurrent with the RCTA annual fiscal audit. The audit of CTSA funds is included in the *DNLTC Audited Financial Statements and Independent Auditor's Report* for fiscal years 2020 and 2021. References to the CTSA are contained the Statement of Changes in Net Positions – Fiduciary Funds. The fiduciary statements provide information about the cash balances and activities of these funds. These statements are separate from, and their balances are excluded from, the Commission's financial activities.

However, a review of the annual RCTA TDA Funds Basic Financial Statements (*Audited*) completed during the audit period, do not include an audit of Article 4.5 funds that are claimed for the purpose of conducting CTSA activities. It is suggested that DNLTC continue to work the RCTA general manager in ensuring that CTSA funds are included the claimant's fiscal audit.

Conclusion

This recommendation has been partially implemented and is carried forward for full implementation.

Prior Recommendation 2

Develop performance metrics to evaluate the cost effectiveness of the CTSA.

Background: LTF granted under PUC Section 99275.5 requires DNLTC to adopt performance criteria as a means to evaluate the cost effectiveness of the service. Community Assistance League, the CTSA during most of the audit period, provided DNLTC with basic statistics but did not quantify a standardized cost or performance measure that gauges cost efficiency or effectiveness. The most recent designation has been given to RCTA; the agency will propose cost effectiveness alternatives that will be reviewed by DNLTC as a condition of receiving TDA funding for CTSA activities. The standards for performance indicators, such as cost per trip and cost per mile to compare against actual, create a baseline for determining the relative service efficiency and effectiveness in use of the LTF revenue.

Actions taken by DNLTC:

Performance metrics and baseline data have been included in *the RCTA Short-Range Transit Plan (SRTP), Fiscal Years 2019–20 to 2024–25* for existing general public transit services. Chapter 7 of the SRTP contains the CTSA Implementation Plan, which sets forth a plan for implementation of two new programs for RCTA to undertake as the CTSA for Del Norte County: Travel Training and ADA Eligibility Certification. However, the implementation plan does not include specific performance metrics for these two CTSA programs. As the CTSA, RCTA launched the two programs in January 2020 after consultations with the SSTAC and DNLTC. In August 2019, the RCTA Board approved the procurement of GetGoing software and hosting from Jigsaw Analytics Group to manage CTSA activities. The software contains a module that can generate reports and dashboards. Having this tool will enable the CTSA to develop metrics and monitor performance of the two programs that were recently launched. It is suggested that DNLTC work with RCTA in the development of program metrics based on industry best practices.

Conclusion

This recommendation has been partially implemented and is carried forward for full implementation.

Prior Recommendation 3

Continue efforts to engage SSTAC members in broader transit issues.

Background: The primary purpose and gathering of the SSTAC is for the unmet transit needs process. The SSTAC meets twice a year to prioritize transit needs and review public comments received from the public hearing. DNLTC expressed concern that the meetings have limited agendas, leading to dwindling participation of required membership in complying with state TDA provisions. Attendance at the SSTAC meetings during the audit period shows only about half of required members, with other positions either not attending or vacant.

Strengthening the role and expanding the responsibilities of the SSTAC could reinvigorate interest and attendance. With the new designation of the CTSA, the SSTAC could work with RCTA in forming the duties and responsibilities of the CTSA and providing a sounding board in evaluating its performance over time. Other possibilities for engagement by the SSTAC could include reviewing and commenting on related transit studies such as the SRTP and other documents that have a social service transportation aspect, further engaging transit needs of the region common to the SSTAC's list of priority needs that are reaffirmed each year; emergency transportation preparedness planning; and recruiting strategies of new members to vacant/underutilized positions. State law also allows DNLTC to appoint additional members to the SSTAC beyond the required positions. One position that has been added in other counties is that of a youth/young adult transit user (such as a high school or college student) and/or a local social service provider for youth. SSTACs, by law, include transit users who are elderly and/or disabled. The potential addition of a youth/young adult representative to the SSTAC who represents a transit rider of limited means as well as a generation of young riders would add a new perspective to the discussion surrounding unmet transit needs priorities and coordination in the region.

Actions taken by DNLTC:

DNLTC staff continues to encourage full attendance in SSTAC meetings as well as efforts for council member recruitment. However, staff is reluctant to convene public meetings that are unnecessary or that have any aspect of make-work. The SSTAC is a council of the Commission and makes recommendations to the Commission. Council members have multiple responsibilities and fully committed schedules. SSTAC members may comment on policies or documents on behalf of their representative agencies without convening a public meeting and proposing a consensus recommendation to the Commission. It is often more appropriate for the individual agency to comment on a document or policy independent of other Council members. DNLTC contends that it is inappropriate to reach beyond the SSTAC mandate without a clear purpose and need for a consensus recommendation to DNLTC.

Conclusion

This recommendation is no longer applicable due to the DNLTC's contention that this would be beyond the scope and mission of the SSTAC.

Section IV

Detailed Review of DNLTC Functions

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

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

Administration and Management

This section discusses the overall administration of DNLTC's functions, which include general administration, internal planning, and achievements, including the OWP, and interviews with commissioners.

General Administration

DNLTC is staffed by the executive director who serves as a contract employee and has been with the agency since 2006. The executive director manages all agency matters internally and externally and also serves as the Clerk of the Board, providing notification of meetings and preparing Commission agendas. Staff reports to the Commission are concise and straightforward and provide the Commissioners with discussion of the topics. The executive director prepares the Commissioners for the meeting so that there are no surprises regarding the topics.

The executive director advocates for funding and project delivery, participates in and is an invited speaker at local meetings such as the Chamber of Commerce and the Rotary, and appears in the local newspaper about DNLTC projects. The executive director also participates in regional working group meetings such as the Rural Counties Task Force and the North State Super Region, and in California Transportation Commission meetings to gain information and advance regional priorities. Preparation and presentation by the executive director at key meetings have resulted in significant funding being allocated to Del Norte, including \$45 million for environmental work to further improvements to Last Chance Grade on Highway 101, a large and critical transportation

project for the county. The state has invested more than \$55 million on temporary fixes in the past 10 to 12 years.

DNLTC uses outside assistance to provide additional administrative expertise such as accounting and information technology. This method of outsourcing administrative functions for a relatively small agency has worked well from both a workload and a financial viewpoint. Consultants are retained to conduct technical studies as needed to further transportation investments in the county.

Internal Planning and Achievements including the Overall Work Program

The issues and high-profile projects undertaken by DNLTC heighten the agency's visibility in the region and engage local officials who want to be assigned to the Commission in spite of small funding shares received by the Commission relative to other planning agencies in the state. DNLTC commissioners sit on other statewide rural committees, such as Rural County Representatives of California, and help advocate on behalf of the Commission to promote the agency's programs and goals, thereby providing additional outreach beyond just DNLTC staff. Project priority setting under limited funding constraints is a constant activity being worked on at DNLTC. The executive director works to keep the community focused on prioritizing projects and being available to the public. External and open communication with local communities, such as in-person meetings and workshops with stakeholder groups and agencies, as well as with each of the tribal governments, have bolstered efforts by the Commission. These outreach efforts demonstrate the collaboration between DNLTC staff and the commissioners to efficiently use existing agency resources. Some of the key infrastructure projects that DNLTC has advocated for are summarized as follows:

Last Chance Grade on US-101: Last Chance Grade is composed of a 3-mile segment of US-101 located in Del Norte County, extending between Wilson Creek to 9 miles south of Crescent City. This segment of highway has been subject to geological instability, which has resulted in recurring landslides and road failures. A feasibility study was initiated in March 2014 that involved scientific and economic analyses to assess the current conditions and develop possible alternatives. The study was completed in June 2015. As was mentioned earlier, the project is currently going through the environmental review process that will take up to 8 years. Possible alternatives include the construction of a tunnel bypass or a re-engineered roadway. This segment of roadway has been subject to intermittent closures and one-lane traffic restrictions. It is projected that the segment will reopen to two-way traffic by the summer of 2022. The DNLTC executive director serves on the Last Chance Grade project committee.

Highway 197/199 Goods Movement Project: Caltrans has proposed safety improvements to Highways 197 and 199 in Del Norte County. This series of projects includes adjustments to Highway 197 near Ruby Van Deventer County and on Highway 199 near the Narrows, at Washington Curve, and in the Patrick Creek area. Highway 199 is a critical corridor for Northern California and Southern Oregon residents, commuters, and tourists. The project is currently on hold pending a decision in *Friends of Del Norte et al. v. California Department of Transportation et al.* which was filed in the

United States District Court for the Northern District of California on January 5, 2018. Plaintiffs in the case are three environmental non-profits. On July 29, 2020, the Court granted the DNLTC limited defendant-intervenor status. The project has also received broad support from locally elected officials including a letter of support from officials in neighboring Curry County, Oregon. As of October 2021, the case was fully briefed, and a hearing was scheduled for February 17, 2022.

US-101 Fort Dick/Smith River – Dr. Fine Bridge: This project will replace the Dr. Fine Bridge over the Smith River on US-101 north of Crescent City. Built in 1940, the existing bridge is near the end of its useful life. A new bridge will better accommodate vehicles, pedestrians, and bicyclists. The project is anticipated to cost about \$130 million.

DNLTC relies on State Rural Planning Assistance (RPA) funds, among other revenues including Planning, Programming, and Monitoring funds and TDA, to fund its activities. Policy constraints on RPA funds by Caltrans guidelines limit funding for rural transportation planning processes which are on a reimbursement basis, and no more than 25 percent of funding can be carried over into the following year. DNLTC has approached Caltrans about changing the allocation formula. The Commission has received \$230,000 annually in RPA funding since 2012.

The Overall Work Program (OWP), developed by the executive director in collaboration with the TAC and the Commission, guides the annual work effort. The document is subject to federal and state oversight and approval. The plans and projects contained in each OWP vary slightly from year to year and are tied to factors including state and federal compliance, funding availability, and significant regional transportation issues.

Each work element and expected product is clearly laid out and described, with associated funding identified for each product. DNLTC staff use the separate tasks to bill against the planning grant funds. A significant program that is contained in the OWP and implemented by DNLTC is stormwater management as part of transportation mitigation, which is rare for an RTPA like DNLTC to undertake. According to the OWP, Del Norte is an emergency-prone county that shares forests and forest fires, fault lines and earthquakes, coastlines and tsunamis, and storms and storm damage. Considering these environmental factors, DNLTC completed a Climate Change and Stormwater Management Plan to conduct proactive planning to protect transportation infrastructure.

Amendments to the OWP are generated by DNLTC as conditions change over the year and a resolution is adopted by the Commission prior to submittal to Caltrans District 1. The final OWPs during the audit period contained the following work elements covering topics that are the responsibility of DNLTC. Additional specific tasks and studies are added as the need arises:

- Long Range Planning Coordination
- Overall Work Program
- Public Participation & Information Dissemination

- Transportation Improvement Program Development
- Transportation Development Act Administration & Fiscal Management
- Transit Planning
- Service Authority for Freeway Emergencies
- Regional Transportation Plan Update
- Safe Routes to School Program/Active Transportation Plan
- Pavement Management Plan
- Systemic Safety Analysis Report
- Climate Change & Stormwater Management Plan Completion
- Caltrans Information Element

The FY 2018–19 OWP contained 11 work elements, while the FY 2019–20 contained 10 work elements and the FY 2020–21 OWPs contained 8 work elements. The annual work program’s direct expenditures ranged between \$402,228 and \$484,176 annually for the three-year audit period based upon the work program funding summary. The DNLTC also addresses the planning factors listed in the federal Fixing America's Surface Transportation (FAST) Act and includes a matrix in the OWP indicating which planning factors are addressed by each work program element. The FY 2019 OWP included a storm damage reduction planning element to collect and analyze information to assist with a regional drainage infrastructure audit. This work element builds upon the Climate Change and Stormwater Management Plan effort and addresses the new planning factor: Improve resiliency and reliability of the transportation system and reduce or mitigate stormwater impacts of surface transportation. Commencing with the FY 2023 OWP, DNLTC will be adding an evacuation routes work element to address tsunami and wildfire threats.

There are ongoing efforts by DNLTC, shown in multiple OWPs, to address longer-term regional transportation issues. These include coordination and consultation with Native American tribes and rancherias for development on tribal lands and encouragement for active tribal participation in the transportation planning process; the 2020 Regional Transportation Plan (RTP), coordination with Caltrans regarding state highway planning and programming, including Last Chance Grade and the Gateway areas on US 101, and operational and safety improvements to US 199 and 197; planning and monitoring projects on the state highway system that are funded through the State Transportation Improvement Fund and High Priority Program; and planning and programming for the local streets and roads system with a focus on establishing baseline data for performance measures in alignment with the FAST Act.

DNLTC has been proactive to ensure that its administrative procedures align with Caltrans findings, including procurement practices of DNLTC staff and preparing signed worksheets of billing time that spend down RPA funds that could revert to Caltrans if unused. The DNLTC finance

committee takes a role to ensure internal controls are strong and transparent, and it reviews the billing timesheets of the executive director.

Interviews with Commissioners

Michael Baker International contacted and interviewed two board members from the Commission in April 2022. One commission member serves on the Del Norte County Board of Supervisors and the other commissioner serves as member on the Crescent City Council. Both Commission members expressed confidence in the abilities and background of DNLTC's executive director, including fiscal management and organizational development. Moreover, they expressed that the executive director fostered a collaborative, solutions-focused approach.

The executive director has provided strong advocacy for local projects, which has helped the Commission navigate controversial issues. Commissioners are kept apprised on transportation-related news, specifically on large projects such as Last Chance Grade and Gateway projects on US 101, Elk Valley Road, and Highway 197/199 Goods Movement. Local education and information sharing with the community and stakeholders are effectively done as demonstrated by the executive director's accessibility and community attendance at meetings. Meetings are well-run and have continued to be productive in light of the COVID-19 pandemic and the use of Zoom videoconferencing. The local collaboration leads to developing key policy documents, such as the OWP, which is approved by the Commission to guide DNLTC. DNLTC's administration has been professional in carrying out the mission of the agency in spite of the constrained financial resources that Del Norte County is faced with.

During the interviews, one commissioner had questions about succession planning should the executive director decide to retire. The executive director has distinguished herself as a passionate, high functioning and collaborative leader. It was suggested that the issue of succession planning be addressed in the OWP.

Transportation Planning and Programming

This functional area addresses planning functions required of DNLTC, including development of the RTP, RTIP, and transit planning and performance monitoring.

Regional Transportation Plan

The most recent RTP for the Del Norte region was developed and adopted in March 2021 and includes a requirement that the plan be updated every five years for the region to be eligible for state and federal funding.¹ The prior RTP was adopted in November 2016. Since the adoption of the prior RTP, there has been an update to the RTP Guidelines. The 2017 RTP Guidelines, adopted January 18, 2017, incorporated several key changes to the RTP process to address changes in the

¹ DNLTC conducts RTP updates every four years to follow local jurisdiction general plan and housing element updates.

planning process resulting from the MAP-21/FAST Act, SB 32, AB 1482, SB 246, SB 350, and Executive Orders B-16-12 and B-32-15.

The RTP was prepared by a consultant and is the guiding document for regionally significant transportation investments in the near term (1-10 years) and long term (10-20 years) for Del Norte County to efficiently move goods and people in the region. The RTP contains the required three elements: Policy Element, Action Element, and Financial Element. It identifies the top priority projects affecting a significant portion of the region while helping meet the regional goals set forth in the document. These priority projects include Last Chance Grade; US 101 Gateway and Traffic Calming; Front Street Revitalization; Requa Road; Elk Valley Road; Pebble Beach Drive Bike/Ped; and Washington Boulevard (Inyo to Dale Rupert). The RTP also identified and listed Del Norte Region Tribal Transportation Improvement Projects.

In 2015, the Rural Counties Task Force completed a study on the use of performance indicators for the 26 rural RTPAs in the task force in California. This study evaluated the current statewide performance monitoring metrics applicable to rural and small urban areas. The study identified and recommended performance measures more appropriate for the unique conditions and resources of rural and small urban places, like Del Norte County. The 2020 RTP incorporates program-level performance metrics that are used to help select RTP project priorities and monitor how well the transportation system is functioning. The seven performance measures are summarized as follows:

- **Performance Measure #1 – Transportation Systems Investment:** Monitors the condition of the roadways in the Del Norte region, which can be used in deciding transportation system investment.
- **Performance Measure #2 – Preservation/Service Fuel Use/Travel Use/Travel Distance/Time/Cost:** Monitors the condition of the roadways in the Del Norte region through pavement condition. Pavement condition should be monitored every 2 years.
- **Performance Measure #3 – Safety:** monitors safety through the total collision count and should be monitored annually.
- **Performance Measure #4 – Mode Share/Split:** monitors transportation mode and mode share to understand how State and County roads function based on modes used.
- **Performance Measure #5 – Transit:** monitors the cost-effectiveness of transit in the Del Norte region. This performance measure should be monitored annually.
- **Performance Measure #6 – Congestion/Delay/Vehicle Miles Traveled:** monitors how well State and County Roads are functioning based on peak volume/capacity and vehicle miles travelled (VMT).
- **Performance Measure #7 – Land Use:** monitors the efficiency of land use and is reported over time since 2000.

A total of approximately \$661.4 million has been proposed for roadway, bridge, bike/pedestrian, transit, and aviation projects for the 20-year horizon of the RTP. This only includes projects with cost estimates. Many projects, specifically in the long-range project lists, do not have associated estimates. There is a funding shortfall of approximately \$109.3 million over the 20-year RTP

period. Most of the forecasted deficit for the unconstrained plan is from roadway projects, followed by aviation and bridge projects. Transit and nonmotorized projects are projected to be whole for the short and long term. Short-range projects (years 1-10) are expected to have sufficient revenue under the constrained financial scenario; however, long-term shortfalls are expected in years 11-20 and will be addressed in future RTP updates.

As a critical component to plan development, DNLTC solicited comment on regional transportation issues from a wide variety of groups, including the general public, elected officials, and tribal governments. Since the RTP development commenced shortly before the onset of the COVID-19 pandemic, an amended public outreach campaign was conducted to conform with social distancing guidelines. A community meeting was conducted on October 20, 2020, over the Zoom videoconferencing platform. The community meeting included a presentation on the draft RTP elements: Policies, Action and Financial. There were 15 attendees and 4 panelists in attendance. The community meeting was advertised through email blasts to stakeholders, social media posts over Facebook and Twitter, flyers distributed throughout the community, and a dedicated project website (DelNorteRTP.com).

The draft RTP was vetted by the TAC through a series of working sessions and workshops. DNLTC also actively solicited input from the four Native American tribes located in the county. Outreach materials for the 2020 RTP update, including notices, meetings, minutes, and agendas, were posted on the DNLTC website, and inserted in the RTP document. An online Del Norte transportation questionnaire was administered via SurveyMonkey to gather community input for the plan update. DNLTC modeled its public participation plan after the California Transportation Plan to coordinate outreach with the community, including Native American tribes, and works with local organizations with strong electronic mailing lists, such as schools and child health and education services, to solicit survey responses. The Final RTP included a focused list of financially constrained regional transportation capital improvement projects, which are viewed by DNLTC and the community as the highest priorities for the region. The highest priority projects are then programmed in the RTIP for funding.

Regional Transportation Improvement Program

DNLTC is responsible for preparing the RTIP for Del Norte County projects that have been approved for federal and state funding. DNLTC followed the adopted State Transportation Improvement Program (STIP) guidelines and uses a reporting template created for rural counties that is accepted by the state. DNLTC, in coordination with member agencies and the TAC, prepare the RTIP every five years, identifying capital and other improvement projects for programming. The OWP identified a Transportation Improvement Program Development work task during FY 2017–18 to update and deliver the next RTIP with assistance from a consultant. The 2020 RTIP prepared during the audit period was adopted in December 2019 and covers the STIP cycle from July 1, 2020, through June 30, 2025. The 2020 STIP Fund Estimate identified a regional formula distribution for Del Norte County of \$823,000 through FY 2024–25. DNLTC prepared the 2020 RTIP in consultation with city and county public works staff, Caltrans District 1, and the general public.

DNLTC is only programming Planning, Programming and Monitoring funds at this time to assist with project readiness and project delivery. DNLTC acknowledged overprogramming for the US Highway 199 operational improvement project through a \$19.4 million STIP advance. This project, a bridge replacement and curve realignment, continues to receive widespread support in the region and DNLTC continues to place it as its top priority through construction. Caltrans is delivering this on-system bridge replacement project for a bridge that was built in 1926 and is in the top 1 percent of the oldest bridges on the state highway system. However, DNLTC is concerned about Caltrans's ability to deliver. The project has been successfully delayed in the "litigation phase" that is prevalent in District 1 and has placed the project at risk. DNLTC is advocating for this project and has sought to have a more influential role in advancing the project.

The 2020 RTIP was prepared in accordance with DNLTC's Public Participation Plan. This process included development in open public forum via the TAC. Each proposed new project is the result of numerous public meetings and high levels of participation and attendance by the public. The public had and will continue to have the opportunity to provide input in the planning and programming process.

The Commission submitted its proposed 2022 RTIP to the California Transportation Commission in December 2021. The Del Norte region is scheduled to receive \$1,587,000 in formula share distribution through FY 2027–28 according to the 2022 STIP Fund Estimate. As with the 2020 RTIP, DNLTC only programmed Planning, Programming and Monitoring funds to assist with project readiness and delivery.

Transit Planning and Performance Monitoring

DNLTC transit planning and monitoring are engaged through various approaches. The principal transit planning document is the *Redwood Coast Transit Authority Short Range Transit Plan (SRTP) FYs 2019–20 to 2024–25*, which was adopted in June 2019. The SRTP has a five-year planning horizon that guides improvements to public transit programs. The plan is composed of an introduction, nine chapters, and an appendix. The appendix contains a sample travel training pre-travel interview form and waiver related to the CTSA implementation plan.

The SRTP process was composed of two phases. The first phase included an assessment of existing conditions in the County and of the transit system, public involvement and stakeholder outreach, market research of existing and potential passengers, evaluation of current transit needs, and development of system goals and performance standards. The second phase of the SRTP process built on the findings summarized in the first phase and evaluated and developed a five-year plan for service alternatives, capital assets, system finances, marketing activities, CTSA activities, and the administrative management model.

Unique to the SRTP, were the chapters devoted to the implementation of the CTSA and a marketing analysis that included the findings from the 2018 market research study conducted by Dr. Jon Shapiro that focused on visitors to the National and State Parks. The CTSA implementation

plan provides an in-depth approach on the development of the ADA eligibility certification and travel training programs.

Public outreach included a 3-day on-board survey campaign that received 300 responses, community stakeholder and rider focus groups and discussions with National Park personnel and visitors. Feedback from the ridership was generally positive. The SRTP also examined the feasibility for more customer service amenities at the Cultural Center such as mobile kiosks and public restrooms. The plan contains nine sections that address transit demand, service and management alternatives, marketing, financial projections, and capital alternatives of the public transit system.

In June 2021, RCTA proposed a “mini-update” to refresh the 2019 SRTP due to changed conditions and to address electric bus procurement and charging infrastructure (engineering/final design) and include a project to address passenger experience and security concerns by developing a staffed Cultural Center transit hub. In addition, the update would include a financial assessment of the Del Norte’s TDA apportionment and of potential revenue capture from e-commerce activities.

DNLTC receives agendas from RCTA that include performance reports. RCTA produces annual operating and financial reports that provide the operating status. The operating and financial report evaluates the performance of Redwood Coast Transit and includes comparable data for the transit system for the current year and the previous fiscal year. The farebox recovery measure in the reports and ridership changes are key performance figures reviewed by the executive director. The annual TDA claim for funds submitted by the RCTA to DNLTC during the audit period provide another set of documents that show evidence for the need for public funding and the performance information to substantiate the need. Budgets, CHP compliance reports, project cost by funding source, and performance measures are included in the claim that summarize the claimant’s operational status. DNLTC considers these documents among other information when monitoring transit performance.

In January 2021, DNLTC adopted the *Coordinated Public Transit Plan*, which was an update to the *2015 Coordinated Public Transit – Human Services Transportation Plan for Del Norte County*. The Coordinated Plan was prepared by the Center for Business and Policy Research, University of the Pacific under contract to the state. Projects selected for funding under Federal Transit Administration (FTA) Section 5310 must be included in a coordinated public transportation plan. According to the FTA, this Coordinated Plan should be a unified, comprehensive strategy for public transportation service delivery that identifies the transportation needs of 1) individuals with disabilities, 2) seniors, and 3) individuals with limited incomes. The plan lays out strategies for meeting these needs and prioritizing services.

The SSTAC reviewed the updated study because the subject matter and findings pertained to the groups represented by the SSTAC members. The coordinated plan developed a unified, comprehensive strategy for public transportation service delivery that identifies the

transportation needs of individuals with disabilities, seniors, and individuals with limited incomes. The update was shaped by the four required elements of the coordinated plan:

- Unmet transportation needs for transportation disadvantaged populations (seniors, people with disabilities, and people with low incomes)
- Inventory of existing transportation services
- Strategies for improved service and coordination
- Identify priorities based on resources, time, and feasibility

The *Del Norte Active Transportation Plan*, which was adopted in May 2015 and amended in September 2017, provides a vision for the future active transportation network in the Del Norte region. It is a regional strategy that builds on previous studies and plans, and holistically evaluates active transportation projects and policies. DNLTTC and its member agencies have been at the forefront of incorporating complete street and active transportation elements in their planning efforts following the Complete Streets Act of 2008, having completed a number of related plans and reports over the years related to trail planning, bicycle facilities, transit plans, traffic calming, safe routes to school, and goals and policies in the RTP update. The purpose of the Active Transportation Plan is to consolidate the findings of these studies and evaluate them holistically in an effort to prioritize active transportation improvements and programs that will have the biggest benefit to the Del Norte region. The results of the plan guide future updates to the circulation elements of both the Del Norte County and Crescent City General Plans. Sunset Circle Coastal Trail Project is one example project receiving recent Active Transportation Program funding.

TDA Claimant Relationships and Oversight

Two entities claimed TDA funds for transit purposes: RCTA, the countywide public transit provider; and the designated CTSA, which during the audit period was RCTA.

As the RTPA, DNLTTC is responsible for the administration of the TDA program. This functional area addresses its administration of the provisions of the TDA. The subfunctions described include administration of the program, provision of technical and managerial assistance, and the solicitation of unmet transit needs. DNLTTC reported no significant changes in its TDA administration and claims processes.

TDA Administration

The uses of TDA revenues apportioned to Del Norte County flow through a priority process prescribed in state law. The grand total available for LTF allocation each year takes into account the prior year's uncommitted balance carried forward, plus the sales tax revenue estimated for the year. A pedestrian and bike fund reserve is factored out from the prior year balance to arrive

at available net funds for the current year. In order of priority, LTF are allocated as follows during the audit period:

- DNLTC TDA fund administration and planning (6 to 12 percent of total LTF)
- Bicycle and pedestrian facilities (2 percent)
- CTSA (5 percent)
- Public transit (remaining LTF, plus all STA apportionments)

Prior to apportionment of funds to the bicycle and pedestrian facilities program and the transit systems, DNLTC is able to claim TDA revenues for administration of the fund and for regional transportation planning and programming purposes. According to the OWP, the LTF revenue for the Commission is applied toward TDA and fiscal management activities, including maintenance of records, data transcription and legal counsel, state controller reports, TDA fiscal and performance audits, TDA findings and allocations, the unmet needs process, and SSTAC support. It is also used for planning and programming activities. During the audit period of FYs 2019 through 2021, DNLTC expended the actual amounts shown in Table IV-1.

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

Fiscal Year	LTF Claim
2019	\$71,009
2020	\$48,606
2021	\$46,233

Source: DNLTC Annual Financial Statements

Technical and Managerial Assistance to Claimants

The executive director is available to assist the claimants with their TDA packets. A checklist of items to submit with the claim is included to assist the claimants with organizing their information. Amended claims are submitted when there are modifications to the original submission. The claims checklist includes a due date for the submittal, which is during the month of May preceding the claim year. During the audit period, RCTA submitted its claim either on this date or slightly after.

LTF revenue set aside for bicycle and pedestrian projects, which is limited to 2 percent annually, is typically built up over the years until enough funding accumulates. A reserve fund is accounted for in each year’s LTF apportionment. Allocations to bicycle and pedestrian reserve were \$11,346 for FY 2019; \$13,336 for FY 2020; and \$15,577 for FY 2021. The TAC evaluates and decides which projects receive the funds. The TAC will request a balance of the available funds to determine whether there is an available project.

On an annual basis during this audit period, DNLTC was responsible for managing the apportionment of between \$655,282 and \$854,856 in LTF revenues and between \$201,110 and \$237,537 in STA funds (based on the DNLTC TDA Estimate Worksheet). Prior year LTF balances are added to the total apportionment amounts on top of the sales tax estimates for the current year. All STA is allocated to RCTA by statute as the lone public transit service in the region. For LTF, RCTA receives between 82 and 86 percent of the revenue after allocations to DNLTC, bicycle/pedestrian facilities, and CTSA. DNLTC prepares and distributes the funding estimates of apportionment and the TDA claim packet with the necessary forms. The TDA claims are adopted by resolution by the board of each agency prior to submission to DNLTC.

As a general rule, operator claims must include supplemental information on a number of TDA requirements, including attachment of specific documentation such as the approved budget and resolution, prior year revenues and expenditures, CHP terminal inspection certification, and signed standard assurances. A review of the claims during the audit period shows that RCTA has included the supplemental information as requested in the DNLTC claim including the standard assurances list on which RCTA initializes each item to certify that all conformance requirements are satisfied to receive both LTF and STA funds.

Unmet Transit Needs

The conduct of the annual unmet transit needs process is required by the TDA (PUC Section 99401.5) where claims can be made for streets and roads. Although there are no such claims in Del Norte County, DNLTC, in an effort to go beyond the minimum requirements, conducted the unmet transit needs process during the audit period. The process includes holding an unmet transit needs public hearing, consulting with the SSTAC and prioritizing unmet needs, reading, and reaffirming the definitions of “unmet transit needs” and “reasonable to meet,” and adopting a resolution certifying the unmet needs findings. The SSTAC meets twice a year to conduct the unmet transit needs procedures, in April and June, to identify, review, and approve priority unmet needs. The SSTAC’s prioritization of needs in the region has resulted in the following priority order:

1. Non-Emergency Medical Transportation
2. Transit Training
3. Public Information & Education
4. After Hours Transit Services
5. Bus Shelters at More Stops

The aforementioned list needs to be reconsidered on an annual basis and a confirmed or new determination for “reasonable to meet” must be made by DNLTC.

The unmet transit needs definition that is reaffirmed by DNLTC reads as:

1. Public transportation and specialized transportation service needs that are identified in the latest update of the Regional Transportation Plan and have not been implemented or funded; and
2. Needs identified by community members which have substantial community support expressed through such means as community organizations, at public meetings, etc.

The reasonable to meet definition that is reaffirmed by DNLTC reads as:

1. There are adequate TDA resources available to the claimant to provide an adequate level of service in relation to the identified need; and
2. The cost to provide adequate service is supportable in terms of project benefits; and
3. Project farebox revenues will be sufficient to comply with Transportation Development Act provisions relating to farebox revenues as a percentage of operating costs; and
4. Existing transit operators are capable of expanding their service; or establishment of a new service is logistically feasible.

Public hearings on unmet transit needs are held each July in the Del Norte County Board of Supervisors Chambers. Written comments were also accepted by those July dates. The resolutions adopted by DNLTC for the audit period concluded that under the process there are no unmet transit needs that are reasonable to meet.

Marketing and Transportation Alternatives

For an agency of its size, DNLTC has developed a comprehensive outreach effort to elicit support for its mission and to educate the public of its role in the delivery and maintenance of Del Norte County's transportation infrastructure. DNLTC's public affairs and community engagement are conveyed through its website, publications, and collaborative efforts with its partner agencies.

The updated DNLTC website (<http://www.dnltc.org/>) provides an extensive array of information about the Commission's projects and programs, the Commission's structure and governing body, and upcoming meetings and workshops. It contains DNLTC's mission statement, a public comment form, regional news, funding sources, current planning documents, meeting minutes from the Commission and each committee, links to transit and partner agencies, and the latest transportation developments. The public comment form (<http://www.dnltc.org/comments>) enables maps and visuals to be viewed on regional issues and projects for more meaningful public feedback and comment. The platform is connected with social media and networking sites Facebook, WhatsApp, and Twitter for greater community access. Information about each project location is available by clicking on a county map with Google views (<https://delnortetransportation.commonplace.is/>), and links are available for comment. DNLTC's Title VI policy is included in its study materials.

The DNLTC Public Participation Plan and Policy outlines a process for public engagement as it pertains to transportation planning and other activities of the Commission. Plan sections address the regulatory setting pursuant to federal and state statutes, outreach tools and techniques, publications, evaluation, and monitoring efforts. The six policies guiding the Commission’s public engagement are found toward the end of the document. DNLTC holds public hearings whenever significant decisions need to be made. Local print and broadcast media are monitored on a regular basis, and persons and organizations known to be interested in specific issues are kept informed and invited to public hearings dealing with those issues. The use of internet media and online platforms such as the public comment page on the DNLTC website have grown in use and complement the in-person meetings and stakeholder events held by the executive director.

As part of its external affairs outreach, DNLTC participates in several collaborative efforts with local Native American tribal entities and other rural RTPAs around the state. The executive director has engaged in extensive tribal involvement and coordination with the Tolowa Dee-ní Nation, Elk Valley Rancheria, Yurok Tribe, and Resighini Rancheria. The Elk Valley Rancheria and Yurok Tribe have requested matching funding from DNLTC for transportation projects in partnership with the County. Tolowa Dee-ní Nation has not requested funding but is voicing concern for local highway work by Caltrans.

The Commission has also been involved in the Rural Counties Task Force, which is a consortium of 26 rural RTPAs and LTCs that work with together with the California Transportation Commission in providing a direct opportunity for the small counties to remain informed, have a voice, and become involved with changing statewide transportation policies and programs. Del Norte County is also part of the North State Super Region, which is an alliance of 16 counties in Northern California that have decided to share information and collaborate in an effort to become a larger voice for state and federal funding policies and priorities.

Grant Applications and Management

DNLTC serves as the clearinghouse for federal grant applications that are reviewed to determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. The Commission’s role for Del Norte County is to review and be an integral part of state and federal funding assistance that promotes interjurisdictional coordination among its partner agencies such as Caltrans, RCTA, and the local tribal entities. Although RCTA applies for rural federal funding for operations and capital, the funding application requires certification from DNLTC as the transportation planning agency for the programming of funds for the project. A Certifications and Assurances form of the regional agency is executed and filed by DNLTC.

DNLTC generally distributes funds from TDA, Regional Surface Transportation Program, the STIP, and Department of Motor Vehicle fees toward transportation projects. Since RCTA is a subrecipient of Federal Transit Administration grant funding through Caltrans for operations and capital, DNLTC does not generally monitor such grant awards. RCTA has been effective in identifying grant opportunities and has worked more collaboratively with DNLTC in reporting transit grants and milestones. Both RCTA and DNLTC staff confirmed the improved cooperation

and communication and grant reporting responsibility. The executive director reports no outstanding issues. DNLTC retains a set of financial and accounting policies and procedures including internal control policies to safeguard the assets of the Commission, and contract and grant management processes.

DNLTC's adopted resolutions for alternative transportation grant funds include for Federal Transit Administration 5311, California Office of Emergency Services, Low-Carbon Transit Operations Program, State of Good Repair, and State Active Transportation Program.

Section V

Findings and Recommendations

The following material summarizes findings obtained from the triennial audit covering fiscal years 2019–20 through 2020–21. A set of recommendations is then provided.

Findings

1. DNLTC conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. DNLTC has satisfactorily complied with the applicable state legislative mandates for RTPAs.
3. Of the three prior performance audit recommendations, DNLTC partially implemented two that pertained to an annual TDA fiscal audit of the CTSA, and the development of performance metrics to evaluate the cost effectiveness of the CTSA. The recommendation to expand the role of the SSTAC is no longer applicable. The partially implemented recommendations are carried forward for full implementation.
4. The executive director advocates for funding and delivery of key infrastructure projects. Preparation and presentation at key meetings have resulted in significant funding being allocated to Del Norte, most recently \$45 million for environmental work to further improvements to Last Chance Grade on Highway 101 and being granted limited defendant-intervenor status in the case involving the Highway 199 Goods Movement and Bridge Project.
5. External and open communication with local communities, such as in-person meetings and workshops with stakeholder groups and agencies, as well as with each of the tribal governments, have bolstered efforts by the Commission. These outreach efforts demonstrate the collaboration between DNLTC staff and the commissioners to efficiently use existing agency resources.
6. The OWP, developed by the executive director in collaboration with the TAC and the commissioners, guides the annual work effort. A significant program that is contained in the OWP and implemented by DNLTC is a storm damage reduction planning element to collect and analyze information to assist with a regional drainage infrastructure audit. This work element builds upon the Climate Change and Stormwater Management Plan effort.
7. The most recent RTP for the Del Norte region was developed and adopted in March 2021. The 2020 RTP incorporates program-level performance metrics that are used to help select RTP project priorities and monitor how well the transportation system is functioning. DNLTC solicited comment on regional transportation issues from a wide variety of groups. Since the RTP development commenced shortly before the onset of the COVID-19 pandemic, an amended public outreach campaign was conducted to conform with social distancing

guidelines. A community meeting was conducted over the Zoom videoconferencing platform and included a presentation on the draft RTP elements.

8. In January 2021, DNLTC adopted the *Coordinated Public Transit Plan*, which was an update to the *2015 Coordinated Public Transit – Human Services Transportation Plan for Del Norte County*. The Coordinated Plan was prepared by the Center for Business and Policy Research, University of the Pacific under contract to the state.
9. In an effort to go beyond the minimum requirements, DNLTC conducted the unmet transit needs process during the audit period. The process includes holding an unmet transit needs public hearing, consulting with the SSTAC and prioritizing unmet needs, reading, and reaffirming the definitions of “unmet transit needs” and “reasonable to meet,” and adopting a resolution certifying the unmet needs findings.

Recommendations

1. Engage RCTA to commission an annual TDA fiscal audit of the CTSA.

This recommendation is carried forward from the prior performance audit. DNLTC provides LTF under Article 4.5 to the designated CTSA, currently RCTA. During the audit period, DNLTC started requiring an audit of CTSA funds concurrent with the RCTA annual fiscal audit. The audit of CTSA funds is included in the *DNLTC Audited Financial Statements and Independent Auditor's Report* for fiscal years 2020 and 2021. References to the CTSA are contained the Statement of Changes in Net Positions – Fiduciary Funds. The fiduciary statements provide information about the cash balances and activities of these funds. These statements are separate from, and their balances are excluded from, the Commission's financial activities.

However, a review of the annual RCTA TDA Funds Basic Financial Statements (*Audited*) completed during the audit period, do not include an audit of Article 4.5 funds that are claimed for the purpose of conducting CTSA activities. It is suggested that DNLTC continue to work the RCTA general manager in ensuring that CTSA funds are included the claimant's fiscal audit.

2. Foster the development of performance metrics to evaluate the cost effectiveness of the CTSA.

This recommendation is carried forward from the prior performance audit. Performance metrics and baseline data have been included in *the RCTA Short-Range Transit Plan (SRTP), Fiscal Years 2019–20 to 2024–25* for existing general public transit services. Chapter 7 of the SRTP contains the CTSA Implementation Plan, which sets forth a plan for implementation of two new programs for RCTA to undertake as the CTSA for Del Norte County: Travel Training and ADA Eligibility Certification. However, the implementation plan does not include specific performance metrics for these two CTSA programs to evaluate their cost effectiveness. As the CTSA, RCTA launched the two programs in January 2020 after consultations with the SSTAC and DNLTC. In August 2019, the RCTA Board approved the procurement of GetGoing software and hosting from Jigsaw Analytics Group to manage CTSA activities. The software contains a module that can generate reports and dashboards. Having this tool will enable the CTSA to develop metrics and monitor performance of the two programs that were recently launched. It is suggested that DNLTC work with RCTA in the development of program metrics based on industry best practices.

3. Develop strategies and protocols for succession planning.

The current DNLTC executive director has served in the role since 2006. The executive director is a contract employee and manages all agency matters internally and externally and also serves as the Clerk of the Board, providing notification of meetings and preparing Commission agendas. Staff reports to the Commission are concise and straightforward and

provide the Commissioners with discussion of the topics. Commissioners interviewed for this audit have expressed high confidence in the executive director's ability to administer the affairs of the Commission in competent and thorough manner. One commissioner had questions about succession planning should the executive director decide to retire. It was suggested that the issue of succession planning be addressed in the OWP. Moreover, the executive director and the Commission are encouraged to discuss strategies and protocols regarding administrative succession at a Board retreat or during a regularly scheduled meeting.