



**FY 2014–2016
Triennial Performance Audit of the
Tahoe Regional Planning Agency
(TRPA)**



Submitted to:

**TAHOE REGIONAL
PLANNING AGENCY**

June 2017



Prepared by:

Michael Baker
INTERNATIONAL

TABLE OF CONTENTS

Executive Summary	i
Section I	1
Introduction – Initial Review of TRPA Functions	1
Overview of the Lake Tahoe Region and TRPA	1
Audit Methodology	1
Section II	2
TRPA Compliance Requirements	2
Section III	12
Responses to Prior Triennial Performance Audit Recommendations	12
Section IV	19
Detailed Review of TRPA Functions	19
Administration and Management	19
Transportation Planning and Regional Coordination	21
TDA Claimant Relationships and Oversight	25
Marketing and Transportation Alternatives	27
Grant Applications and Management	28
Section V	30
Findings	30
Recommendations	31

Executive Summary

Tahoe Regional Planning Agency (TRPA) retained Michael Baker International to conduct the agency's Transportation Development Act (TDA) performance audit for fiscal years (FY) 2013–14 through 2015–16. TRPA 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 as a condition of receiving TDA funding. TDA funds are expended for TRPA administration and planning of public transportation, and is distributed for operations of public transit systems.

This performance audit is intended to describe how well TRPA 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 reviewed various documents, conducted interviews with agency staff, and evaluated TRPA's responsibilities, functions, and performance of the TDA guidelines and regulations.

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

Compliance with TDA Requirements

TRPA has satisfactorily complied with most applicable California legislative mandates for regional transportation planning agencies (RTPAs). Of the 14 compliance areas, the agency fully complied with 10 measures, partially complied with one, and did not comply with another. Two additional compliance areas did not apply to TRPA.

Status of Prior Audit Recommendations

Of the six prior audit recommendations, TRPA implemented four and partially implemented two. The two recommendations partially implemented relate to holding a public hearing for unmet transit needs, and enhancing the TDA claims process.

Functional Review

1. Of the state mandates not fully complied with, the measure that was in partial compliance relates to the requirement for TRPA to ensure at least an annual public hearing is held within the jurisdiction of the Social Services Transportation Advisory Council as part of the citizen participation process. Although public workshops on unmet transit needs are held in the north and south shore areas, a noticed public hearing is also typically held by the regional transportation planning agency board that meets noticing and open meeting rules. The compliance measure not met is related to TRPA setting revised transit fare revenue ratios in

light of the Tahoe basin being recognized as an urbanized area. The basin was recognized as an urban area on December 4, 2015 which occurred in the latter part of the audit period. TRPA will be working on setting a new farebox ratio. The compliance areas that did not apply to TRPA during the audit period pertained to establishing rules and regulations for other potential claims to the TDA funds (e.g., Article 3 and 4.5).

2. Over the last five years TRPA has been reinventing itself as a solution-oriented, more collaborative organization poised to solve today’s environmental problems. This was embodied in the internal agency cultural shifts that began with the 2010 Strategic Plan and has continued through the strategic plan update in June 2014.
3. The TDA administration work element of the Overall Work Program remained consistent during the audit period and helps comply with federal transportation planning factors including increasing the accessibility and mobility of people, and promoting efficient system management and operation.
4. The Regional Transportation Plan process provides TRPA with the knowledge and tools to better manage congestion in the region. TRPA engaged in the plan update during the latter part of the audit period in which transit and active transportation modes were envisioned to play a significant role in achieving the plan goals. An updated public participation plan provided guidance for outreach.
5. While TRPA is not subject to the formal TDA unmet transit needs process and findings, the unmet needs process is ongoing and TRPA continues to coordinate with local agencies, private organizations, and the public to solicit, identify, and address needs. The unmet transit needs are taken into consideration during future transportation planning.
6. With designation of the Tahoe region as an urbanized area by the federal transportation act, additional rules and coordination between TRPA and the two transit systems are required for successful urbanized formula grant procurement. To this end, the three parties signed a Memorandum of Understanding regarding the coordination of transit planning and programming of federal funds.

Recommendations

Five recommendations are provided to improve TRPA’s administration and management of the TDA and its organization.

Performance Audit Recommendation	Background
#1. Hold annual public hearing in compliance	TRPA, in coordination and cooperation with the Tahoe Transportation District (TTD) Regional Coordinating Council and the Truckee North Tahoe Transportation Management Association, participates in existing workshops

Performance Audit Recommendation	Background
with citizen participation rules of the TDA.	to solicit transit needs each year. These workshops are to be commended and demonstrate the spirit of the TDA in involving the public. In carrying forward a partially implemented recommendation from the last audit, the TDA rules (Public Utilities Code Section 99238.5) require an annual public hearing with proper notice given at least 30 days in advance through publication in a newspaper of general circulation, and including the date, place, and specific purpose of the hearing. TRPA also must send written notification to those persons and organizations which have an interest in the subject. From these requirements, a public hearing is traditionally held during a regular meeting of the RTPA board—in this case, the TRPA Governing Board, as the notification process has been undertaken and board meetings comply with all open meeting rules. This public hearing, in addition to the existing workshops in the north and south shore areas, would meet compliance with the TDA-mandated citizen participation process.
#2. Determine updated farebox recovery ratios for the transit operators due to urbanized status.	The Tahoe region received urbanized designation from the federal transportation act. One impact from this designation is that the TDA farebox recovery standard increases from a 10 percent rural standard to a 20 percent urban standard. The farebox ratio is characterized as the ratio of passenger fares plus local funds to eligible operating costs. Both Tahoe Area Regional Transit (TART) and TTD have been subject to the rural farebox recovery ratio until the change in urban status. TRPA has a responsibility to update the farebox recovery standard. Several options are available for implementation of the updated standard, including resetting the ratio straight to 20 percent, allowing a certain number of years for the operators to meet the new ratio (up to 5 years), setting the urban ratio at a minimum of 15 percent, and/or a combination of options. The lower standard of 15 percent is allowed by the TDA as the population of the region is less than 500,000. Under law, TRPA must provide specific reasons prior to setting this lower farebox ratio. TRPA and the transit operators should discuss the options and provide an updated farebox ratio to meet compliance as an urbanized operator.
#3. Evaluate the merit of combining the TRPA Social Services Transportation Advisory Council and the TTD Regional Coordinating Council.	The SSTAC, while statutorily required by the TDA to be created by regional transportation planning agencies such as TRPA, has not met regularly to discuss transit needs. Rather, unmet transit needs have largely been undertaken through the involvement of the TTD Regional Coordinating Council. The Regional Coordinating Council (RCC) assists the SSTAC while including members of the SSTAC as well as a larger audience of stakeholders involved in human service transportation. Given that SSTAC members also participate on the RCC, there are examples statewide where these two related committees are combined to create efficiencies and still meet TDA regulations. A few examples are from Monterey County where the transit operator’s mobility advisory committee is integrated with the transportation planning agency’s SSTAC, and Santa Barbara County where the transportation planning agency’s citizen advisory committee and SSTAC are

Performance Audit Recommendation	Background
	<p>merged. For this integration to occur in the Tahoe region, the SSTAC bylaws with respect to setting forth specific requirements for committee membership and term limits will need to be integrated into bylaws of the RCC. The expanded membership of the RCC would be beyond the required positions of the SSTAC. A merged transit advisory body to serve both TTD and TRPA would provide efficiencies in meeting both statutory and public input requirements.</p>
<p>#4. Continue strengthening the TDA claim process and monitoring of transit service.</p>	<p>TRPA has made improvements to its TDA claims process by such examples as developing a checklist of key dates for carrying out various reporting functions, and working with the transit operators to submit all required documentation with their funding claims. In striving toward standardizing the claim form and ensuring the transit operators meet compliance, it is suggested that TRPA add a checklist of required documentation to provide backup to the claim, as well as a separate standard assurances checklist in the TDA claim packet. The assurances list enables the transit operator to sign off on meeting different TDA measures such as performance standards, completion of financial audits, and operational provisions as a condition of TRPA approving the funds for allocation. These additional complementary items to the claim form may be of assistance to TRPA in its ability to further standardize the TDA process and receive all requested documentation. Examples of these lists, which are generally industry practice, are provided to TRPA for discussion with the transit operators and implementation.</p> <p>Monitoring performance and productivity of TART and TTD are also under TRPA’s purview. One of the key dates listed in the TRPA claim process is when the operators are expected to submit a report on operations to TRPA. However, this has not been occurring. While this audit identifies current methods of monitoring by TRPA, the agency should continue strengthening this process. On a regular basis, TRPA should request that transit operations performance information be provided by the operators for monitoring of transit service. This might be captured, for example, through the operators submitting to TRPA the annual State Controller Transit Operator report or pulling annual data from the federal National Transit Database; requiring performance data be submitted with the TDA claim; and/or submittal of performance data on a more frequent basis such as quarterly or biennially. This provides TRPA with information to monitor transit productivity as a responsibility of a regional transportation planning agency and develop operating trends on a timelier basis.</p>
<p>#5. Consider development of TDA rules for Article 3 bicycle and pedestrian funding.</p>	<p>The Regional Transportation Plan includes public transit and nonmotorized travel as means to help ease congestion. As both are interlinked and essential for the Tahoe region, the TDA has eligible funding programs not only for transit, but for bicycle and pedestrian projects. An eligible use of Local Transportation Funds (LTF) within the TDA revenue program at TRPA’s</p>

Performance Audit Recommendation	Background
	<p>discretion is for bicycle and pedestrian projects under TDA Article 3. This off-the-top apportionment is limited to 2 percent of LTF and could be available to the local jurisdictions (City of South Lake Tahoe and Placer and El Dorado Counties) for such projects. TRPA should consider developing rules and regulations for possible use of LTF for bicycle/pedestrian projects, including method of apportionment and ensuring the projects are linked to transit usage. TRPA will have a level of flexibility and oversight in working with the transit operators and the local jurisdictions in funding both local and regional projects and providing matching funds. A sampling of how the funds could be allocated include by population, call for projects, rotating use of the fund, and/or building a reserve balance for use for regionally significant projects. A method to allocate nonmotorized funding from the TDA should be considered and implemented to further the goals and objectives of the Regional Transportation Plan and connections to public transit.</p>

Section I

Introduction – Initial Review of TRPA Functions

Tahoe Regional Planning Agency (TRPA) retained Michael Baker International to conduct the agency's Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2013–14 through 2015–16. TRPA 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 is intended to describe how well TRPA is meeting its administrative and planning obligations under the TDA.

Overview of the Lake Tahoe Region and TRPA

The Lake Tahoe region is located on the border of the states of California and Nevada, between the Sierra Crest and the Carson Range. Approximately two-thirds of the region is located in California, with one-third in the state of Nevada. The Tahoe region contains an area of about 501 square miles, of which approximately 191 square miles comprise the surface waters of Lake Tahoe, and includes a 37-square-mile urban boundary containing commercial and residential activity. Over 80 percent of the land area in the Lake Tahoe Basin is publicly owned and represents a major recreation attraction.

Based on the 2010 Census, the resident population of the Tahoe region was 54,862. This is a significant decline from the 62,894 population estimated by the 2000 Census. Of the 54,862 population figure, 41,176 people reside within the California portion, while the Nevada side makes up the remaining 13,686. The region's full-time resident population is dwarfed by the large number of recreation visitors that come to enjoy Lake Tahoe. Due to high levels of visitation, the average daily population of the area can be four times the permanent resident population, fluctuating by season and day of the week.

The TRPA jurisdiction includes the Lake Tahoe watershed which encompasses California and Nevada, and four counties (Placer County and El Dorado County in California as well as Washoe County and Douglas County in Nevada), the City of South Lake Tahoe (which is in El Dorado County), and a small portion of the Carson City rural area. While generally rural in nature, the South Lake Tahoe portion of the basin includes some high-rise casinos and more compact development.

TRPA was created through a Bi-State Compact in 1969 as an effort to preserve Lake Tahoe's environmental quality. TRPA was the first bi-state regional environmental planning agency in the country. The compact, as revised in 1980, gave TRPA authority to adopt environmental quality

standards and to enforce ordinances designed to achieve the thresholds. In 2013, California and Nevada passed legislation to update the Bi-State Compact.

The region holds three integrated regional transportation planning authorities (RTPA): 1) Tahoe Regional Planning Compact planning requirements, 2) Regional Transportation Planning Agency for the California portion of the Lake Tahoe basin, and 3) the Metropolitan Planning Organization for the Tahoe region. TRPA responsibilities incorporate a wide variety of planning activities, including transportation planning. In 2014, TRPA marked its 45th anniversary. The occasion came during a period of great change as well as opportunity at Lake Tahoe—change in the region’s environment, economy, demographics, and communities.

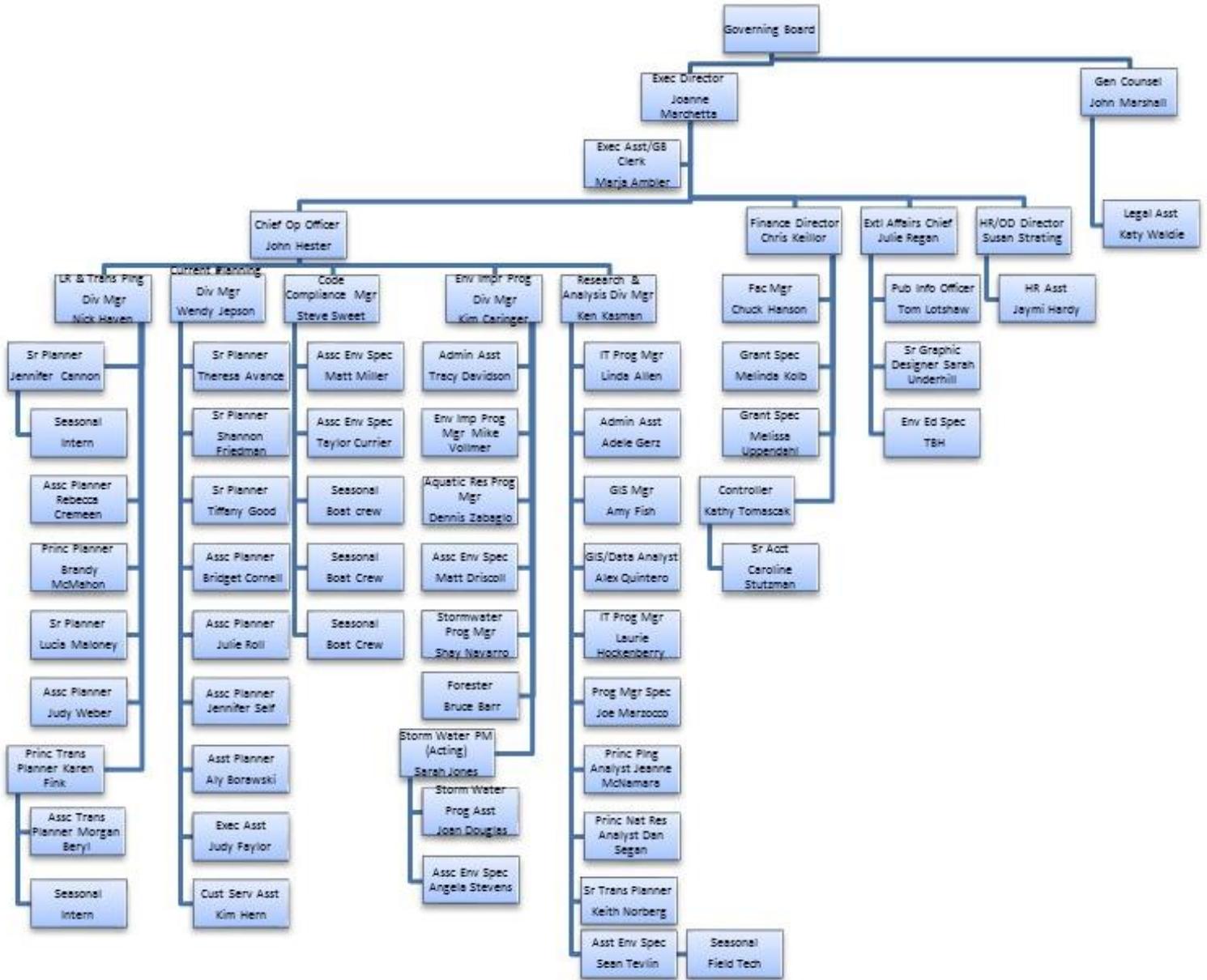
The TRPA Governing Board is composed of 15 members: 7 from California, 7 from Nevada, and 1 nonvoting presidential appointee. Six members, who are locally elected officials or their designees, represent the units of local government. The Bi-State Compact provides for a majority of the seats to be held by citizens from outside the Tahoe region who represent at-large voters from the two states. This ensures that the board reviews issues not only from a local perspective, but also from statewide and nationwide viewpoints.

In its capacity serving as the Tahoe Metropolitan Planning Organization (TMPO) under federal law, TRPA’s role is primarily for planning and financial programming. The three primary products required of a metropolitan planning organization by federal rule are a Regional Transportation Plan, Federal Transportation Improvement Program, and an Overall Work Program. The TMPO Governing Board is composed of the voting members of the TRPA Governing Board, with the addition of a voting representative of the US Forest Service, Lake Tahoe Basin Management Unit.

Under California law, TRPA is the designated RTPA for the Tahoe region. When sitting as such, the TRPA Governing Board indicates so when taking a policy action, but no changes to the membership of the Governing Board occur. As the RTPA, TRPA is charged with coordinating with Caltrans (and federal government) in developing a Regional Transportation Plan, a Regional Transportation Improvement Program to account for California state funding, and the allocation of California state transit funding. One of TRPA’s roles as a RTPA is to allocate TDA funds from both the Local Transportation Fund (LTF) and the State Transit Assistance (STA) fund. The TDA funds are primarily allocated to two public transit operators in the Tahoe Basin: transit service on the south shore operated by the Tahoe Transportation District (TTD), and north shore transit service provided by the Tahoe Area Regional Transit (TART) which is operated by Placer County Department of Public Works. It is the responsibility of TRPA to establish rules and regulations to provide for administration and allocation of the LTF and STA in accordance with applicable sections of the Government Code, Public Utilities Code, and Administrative Code included in the TDA.

With its various responsibilities, TRPA is composed of multiple divisions. TDA related duties are shared among staff in the transportation planning and finance divisions, with administration of the TDA undertaken by a transportation planner and grant specialist. An organizational flow chart of the agency is shown in Figure 1.

Figure 1
TRPA Organizational Flow Chart (as of 6/30/2016)



TRPA’s offices are located at 128 Market Street, Stateline, Nevada. Governing Board meetings are usually held the fourth Wednesday of every month and rotate equally between the north and south shores.

Audit Methodology

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

- Document review: Reviewed documents including various files and internal reports, committee agendas, and public documents.
- Interviews: Interviewed TRPA staff and staff from the transit systems to gain their perspectives about the agency's efficiency and economy in relation to TDA administration and transportation planning responsibilities.
- Analysis: Evaluated the documents and the interview responses as they related to TRPA's responsibilities, functions, and performance to TDA guidelines and regulations.

The activities described above were intended to provide Michael Baker with the information necessary to assess TRPA'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 reviews the compliance requirements of the TDA administrative process. Section III describes TRPA's responses to the recommendations in the previous performance audit. In Section IV, Michael Baker provides a detailed review of TRPA's functions, while Section V summarizes the audit findings and recommendations.

Section II

TRPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* to assess an agency’s conformance with the TDA. Findings concerning TRPA’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>TRPA accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their areas.</p> <p>TRPA receives LTF proportional to its population in both and Placer and El Dorado Counties. Population is based on annual California Department of Finance population estimates to determine each local jurisdiction’s apportionments. Each year, TRPA adopts a resolution of the apportionments and the subsequent claims by the transit operators.</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>TRPA has not adopted rules and regulations pertaining to claims submitted for pedestrian and bicycle projects. Historically, TRPA has received claims for transit operations only. The final TDA estimates and apportionments each year show the jurisdiction share of funds allotted to TART and TTD.</p> <p>In light of the growth and emphasis on active transportation planning for</p>

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
		<p>pedestrian and bicycle projects that complement alternative travel modes in the Tahoe region, TRPA should consider the potential for apportioning LTF for these uses.</p> <p>Conclusion: Not applicable</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>TRPA has established a Social Services Transportation Advisory Council (SSTAC) responsible for annual participation in the identification of transit needs in the jurisdiction, including unmet transit needs. The unmet needs process entails a public outreach program consisting of annual workshops in El Dorado and Placer Counties to solicit unmet transit needs and participation in the Regional Coordinating Council (RCC). While these workshops are conducted, an annual public hearing that has been dutifully noticed according to TDA rules has not been held. The public hearing is typically held by the RTPA board during a regularly scheduled open meeting.</p> <p>Although a formal unmet needs process is not required given that no TDA is used for streets and roads in the region, TRPA has continued the process of identifying unmet transit needs. The transit operators can use this information to possibly reallocate existing resources to meet those needs.</p> <p>The SSTAC conforms to the stakeholder categories pursuant to PUC Section 99238. Of the nine required positions, six were filled and three were vacant for</p>

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
		<p>some portions of the audit period. Vacancies were for a potential transit user over 60 years of age, potential disabled transit user, and a second representative of a local social service provider for the disabled. The RCC provided technical input to the SSTAC.</p> <p>Conclusion: Partial compliance</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 	<p>Public Utilities Code, Section 99244</p>	<p>TRPA participates in a number of activities in order to review productivity improvements of the transit systems. The TDA performance audit commissioned by TRPA provides a means for analyzing transit productivity. Also, TRPA, through the two transit systems, participates in the update of transit service plans that guide transit activity. Updated service plans were developed for both TART and TTD in 2016, as well as a current Lake Tahoe and Area Transit Master Plan creating a vision for transit.</p> <p>Further, TTD, which was established through an amendment to the Tahoe Bi-State Compact in 1980, facilitates, implements, and delivers transportation projects in the Tahoe Basin, including having operational authority for transit services. TTD sponsors the RCC, of which TRPA is an active member, to assist in the collaboration needed for human service transportation. The RCC identifies ways to coordinate transportation services and promote independence and mobility for the most vulnerable populations in the region. RCC meeting documentation shows some performance information</p>

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
exceeds its prior year allocation.		such as specialized transportation ridership presented by the transit operators, as well as unmet transit needs. Conclusion: Complied
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).	Public Utilities Code, Section 99245	TRPA maintains records of all TDA claimants that submit an annual certified fiscal and compliance audit. This process includes copies of final audits being forwarded to TRPA. The firms Davis Farr LLP, Mayer Hoffman McCann P.C., and Vavrinek, Trine, Day & Co., LLP were retained to conduct the fiscal audits of the transit systems. Mayer Hoffman McCann (FY 2014) and Davis Farr (FYs 2015 and 2016) prepared the fiscal audits of TTD, and Vavrinek, Trine, Day & Co. prepared the fiscal audits of TART for the three-year period. All audits were submitted within 180 days after the end of the fiscal year. Conclusion: Complied
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	Public Utilities Code, Sections 99246 and 99248	For the current three-year period, TRPA has retained an independent entity, Michael Baker International, to conduct the audits of TRPA and the two transit systems. The transit audits calculate the required performance indicators. LSC Transportation Consultants was retained to conduct the previous audits for the three fiscal years that ended June 30, 2013. Conclusion: Complied

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
within 12 months after the end of the triennium. If an operator’s audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.		
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	Public Utilities Code, Section 99246(c)	TRPA submitted its performance audit to Caltrans via email dated June 13, 2014, for the triennial period FYs 2010–11 through 2012–13. The attached cover letter accompanied the audit with a statement that each performance audit including the transit operator audits were performed in accordance with California PUC. Conclusion: Complied
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	Public Utilities Code, Section 99246(d)	The performance audits of the transit systems include all required TDA performance measures plus additional indicators to further assess each system’s efficiency, effectiveness, and economy with the use of TDA funds. Conclusion: Complied

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.		
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 99260	<p>The recent six-year federal transportation bill, known as the Fixing America's Surface Transportation Act (FAST Act), established the Tahoe Basin as an urbanized area. Placer County and TTD are recipients of Federal Transit Administration (FTA) 5307 urbanized funds while TRPA, serving as the metropolitan planning organization, is responsible for the planning and programming of these funds.</p> <p>Despite the Tahoe region’s relatively recent urbanized status, TRPA has not yet established urban fare revenue ratios for TART and TTD. During the audit period, the rural fare revenue ratio continued to apply. TRPA will need to establish a new fare ratio for TART and TTD to reflect the urbanized status.</p> <p>Conclusion: Not in compliance</p>
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and	Public Utilities Code, Section 99275.5	Article 4.5 claims may be filed for community transit services, including services for those who cannot use conventional transit services, such as disabled persons. TRPA has not adopted

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
the determination of the cost-effectiveness of the proposed community transit services.		<p>rules and regulations pertaining to these claims, as historically, TRPA has received claims for public transit operations only. The final TDA estimates and apportionments each year show the jurisdiction share of funds allotted to TART and TTD for public transit. However, it is noted that TTD acts as the Consolidated Transportation Service Agency for the Tahoe Basin, which is one such eligible claimant under Article 4.5.</p> <p>Conclusion: Not applicable</p>
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116	<p>TRPA allocates STA funds for transit usage only pursuant to state statutes. The STA revenue under PUC Section 99313 is allocated for transit purposes on the basis of population within the TRPA jurisdiction in Placer and El Dorado Counties.</p> <p>Conclusion: Complied</p>
The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller’s Office.	Public Utilities Code, Section 99314.3	<p>STA funds under this section are allocated to the operators based on the estimates provided in the State Controller's Office Quarter State Transit Assistance Allocation. The allocation is based on the revenue of each operator to the total revenue statewide.</p> <p>Conclusion: Complied</p>
If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or	Public Utilities Code, Section 99401.5	<p>While TRPA is not subject to the formal unmet transit needs process, the agency maintains definitions of "unmet transit need" and "reasonable to meet" adopted</p>

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
<p>facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ✓ Groups that are transit-dependent or transit-disadvantaged; ✓ Adequacy of existing transit services to meet the needs of groups identified; and ✓ Analysis of potential alternatives to provide transportation alternatives. • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; 		<p>by the governing board. The definitions are documented in the <i>Unmet Transit Needs Report</i> prepared by TRPA. TRPA staff consults with the SSTAC as required by law.</p> <p>The data for the report is compiled from comments received by the RCC meetings, and unmet transit needs workshops in the north and south shore areas. The unmet transit needs comments are forwarded to the transit operators for review and consideration with findings whether the needs are reasonable to meet.</p> <p>TRPA will continue to allocate all TDA-LTF apportionments available for public transportation to transit services only until all reasonable to meet transit needs are met.</p> <p>Conclusion: Complied</p>

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
<ul style="list-style-type: none"> 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 accompanying rules and regulations. Financial statements may not</p>	<p>California Administrative Code, Section 6662</p>	<p>TRPA has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firms Mayer Hoffman McCann P.C. and Davis Farr LLP were retained to conduct the fiscal audits.</p> <p>The completion dates were:</p> <p>FY 2014: January 20, 2015 FY 2015: December 7, 2015 FY 2016: December 7, 2016</p> <p>TRPA also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p> <p>Conclusion: Complied</p>

TABLE II-1 Compliance Requirements Matrix		
TRPA Compliance Requirements	Reference	Compliance Efforts
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.		

Findings from RTPA Compliance Requirements Matrix

TRPA has satisfactorily complied with most applicable state legislative mandates for RTPAs. Of the 14 compliance areas, the agency fully complied with 10 measures, partially complied with one, and did not comply with another. Two additional compliance areas did not apply to TRPA.

The measure that was in partial compliance relates to the requirement for TRPA to hold at least an annual public hearing as part of the citizen participation process. An outreach program consisting of workshops in the north and south shore areas is implemented annually to solicit unmet needs. However, an annual public hearing that is dutifully noticed according to the TDA statute is not held. The public hearing is typically held by the RTPA board.

The compliance measure not met by TRPA is for the agency to establish rules and regulations regarding fare revenue ratios for the transit operators in light of the Tahoe Basin being recognized as an urbanized area by recent federal transportation law. Despite the Tahoe region’s new urbanized status, TRPA has not yet established urban fare revenue ratios for TART and TTD. The basin was recognized as an urban area on December 4, 2015 which occurred in the latter part of the audit period. TRPA will be working on setting a new farebox ratio. During the audit period, the rural fare revenue ratio continued to apply.

The compliance areas that did not apply to TRPA during the audit period pertained to establishing rules and regulations for other potential claims to TDA funds, including for pedestrian and bicycle projects under Article 3 and community transit services under Article 4.5. TRPA will continue to allocate all TDA-LTF apportionments available for public transportation to transit services only. However, with emphasis on active transportation planning for pedestrian and bicycle projects that complement alternative travel modes in the Tahoe region, TRPA should consider the potential for apportioning LTF for these active transportation uses.

Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes TRPA’s response to the recommendations included in the prior triennial performance audit. Each prior recommendation is described and followed by a discussion of TRPA’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

TRPA has established an SSTAC but should ensure that the SSTAC meets annually to discuss transit needs of residents of the TRPA’s jurisdiction, particularly those who are transit dependent and transit disadvantaged. Additionally, TRPA should ensure an adequate citizen participation process for public transit needs. Part of the process should include at least one annual public hearing to solicit input from both the Placer County and El Dorado County portions of the Tahoe Basin. Recommendations from these public input processes should be reported to the TRPA governing board.

Background: The prior performance audit discussed that the responsibilities of an SSTAC were multi-fold as outlined in PUC 99238. In addition, PUC 99238.5 requires that each RTPA ensure the establishment and implementation of a citizen participation process for each county utilizing the SSTAC as a mechanism to solicit the input of transit-dependent and transit-disadvantaged individuals, including the elderly, disabled, and persons of limited means. The TRPA SSTAC did not meet each year of the prior audit period. The prior audit also indicated that although TRPA participates in the Placer County Transportation Planning Agency’s annual unmet transit needs workshop in the Tahoe Basin, there is no citizen participation process established by TRPA for transit operations in El Dorado County. Going forward, TRPA should ensure that the SSTAC convenes at least once a year and that a public hearing is held, representing both the Placer and El Dorado County portions of the Tahoe region, to encourage public input on transit services within TRPA’s jurisdiction. A citizens’ participation process will have greater impact if the results of SSTAC meetings and other transit workshops related to public transit in the Tahoe region are reported to the TRPA Governing Board.

Actions taken by TRPA: The SSTAC has not met annually as recommended in the prior audit recommendation to discuss transit needs. Rather, unmet transit needs documentation provided by TRPA indicate the involvement of the RCC in the discussions. The RCC assists the SSTAC while including members of the SSTAC as well as a larger audience of stakeholders involved in human service transportation. This involvement of the RCC has occurred during this audit period, and included soliciting and reviewing transit needs comments. The RCC meets quarterly and rotates between the north and south shores. Workshops to solicit unmet transit needs are held in both Placer and El Dorado Counties and are attended by the RCC. However, a public hearing as defined by the TDA including advanced noticing should also be held, typically by the RTPA board.

Conclusion: This recommendation has been partially implemented in that workshops are held in Placer and El Dorado Counties for citizen participation. Other aspects of the prior recommendation have not been implemented, including holding an SSTAC meeting and a noticed public hearing, and are carried forward for implementation in this audit. Modifications are also recommended to the status of the SSTAC.

Prior Recommendation 2

Enhance requirements for the TDA claims process so as to be compliant with California Code of Regulations (CCR) 6632 and as a way to increase oversight of transit operators and ensure efficient and effective use of public funds.

Background: The prior performance audit cited CCR Section 6632, which identifies supplementary information required to accompany a TDA claim for transit operators:

- Budget for the fiscal year of the claim
- Reason for an increase in operating costs of 15 percent above the preceding year (if, applicable).
- Certification by the California Highway Patrol (CHP) verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code (driver pull notices).

TRPA requires transit claimants to attach a budget for the fiscal year of the claim; however, the prior audit indicated CHP certifications were not required. The prior audit stated TRPA should add this supplementary information to the TDA claims requirement and request form.

With a requirement for RTPAs such as TRPA to annually identify, analyze, and recommend potential productivity improvements for the transit operators, the prior audit also recommended that the agency require public transit operators include with their claims the following additional information:

- Historical and current performance indicators (passengers per hour, operating cost per trip, farebox ratio, etc.).
- A short narrative on how performance audit recommendations and fiscal and compliance audit recommendations have been implemented or why they have not been implemented.

Actions taken by TRPA: A review of TDA claims submitted by the transit operators during this three-year audit period showed progress in meeting the intent of the prior recommendation. Claims did include copies of budgets and CHP inspections, but these attachments were not consistently included in the annual claim. Likewise, performance indicators and progress to implement audit recommendations have not been included in the claims. Resolutions from the

Placer County Board of Supervisors and TTD Board, respectively, authorizing the execution of the TDA claim, are submitted by TART and TTD with their claims.

TRPA staff indicated that reminders are sent to the transit operators for such information during the claim process, but that the consistency of the submittals has not occurred. The claim forms do not currently include a written checklist of such items to accompany the claims, which would be a forward step toward standardizing the claim form and requested materials from both transit operators.

Conclusion: This recommendation has been partially implemented, and is carried forward for full implementation in this audit. Modifications are also suggested for improvements to the TDA claim forms.

Prior Recommendation 3

Work with Placer County and TART to update the TART Short Range Transit Plan.

Background: The prior audit stated that the TART Short Range Transit Plan had not been updated since 2006. As identified in the prior TART performance audit, existing conditions and economic data information was outdated and detailed on-board passenger opinion surveys had not been performed since the last update. To ensure that public transit funds are used effectively in the future, the prior audit recommended that TRPA work with TART to commission a transit plan update. TRPA is considering the development of a more regional transportation plan which would include all operators within the TRPA jurisdiction.

Actions taken by TRPA: In coordination with TRPA, Placer County sponsored a transit study that was completed in April 2016. The study, titled *Systems Plan Update Tahoe Truckee Area Regional Transit in Eastern Placer County*, was completed by LSC Transportation and focuses specifically on transit program enhancements consistent with the transit vision led by the North Lake Tahoe Resort Association and the Truckee North Tahoe Transportation Management Association. The vision includes a regional effort to expand public transit to match the quality of service provided in many similar mountain resort areas, and has included a series of annual transit summits, as well as technical analyses of operational strategies, financial strategies, and economic benefits. The update represents a focused systems plan rather than a traditional short-range transit plan.

Spurred by the preparation and adoption of the *Systems Plan Update* by the Placer County Board of Supervisors, TRPA sponsored another study effort titled *Truckee-Tahoe Area Regional Transit (TART) 2016 On-Board Passenger Surveys*. The document presents the results of on-board passenger surveys conducted for the TART fixed-route program. These surveys were conducted for both the summer and the off-seasons (spring and fall) to complement the survey conducted for the winter season as part of the plan update. On-board surveys were conducted on all of the TART fixed routes to better understand passenger activity, ridership patterns, and overall perception of the system.

Conclusion: This recommendation has been implemented.

Prior Recommendation 4

The fiscal and compliance audits of TRPA for FY 2010–11 and 2011–12 did not include a determination of compliance with TDA and the administrative rules and regulations as required in CCR 6662. TRPA should ensure that the fiscal auditor follows the guidelines for fiscal audits of Transportation Planning and Programming Entities set forth in CCR 6662.

Background: The prior performance audit indicated that the TRPA fiscal and compliance audit should be performed in accordance with the following:

- The Basic Audit Program and Reporting Guidelines for California Special Districts (Section 26909).
- Include a determination of compliance with TDA and the administrative rules and regulations.
- LTF and STA funds and other revenue funds should not be commingled.
- Fiscal and accounting records should be maintained for at least four years following the fiscal year's close.

Actions taken by TRPA: Government Code Section 26909 describes “where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.”

An independent CPA conducts separate audits of TRPA's financial statements, and the TRPA LTF for Placer and El Dorado Counties. The LTF audits for each county do not commingle funds with other revenue. It is the CPA's responsibility to express opinions on these financial statements based on their audit. The CPA states that the fiscal audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In the CPA's opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of TRPA. In accordance with Government Auditing Standards, the auditor also issues their report on their consideration of TRPA's internal control over financial reporting and on the auditor's tests of TRPA's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. TRPA's fiscal audits are completed and filed with the State Controller within 12 months of the previous fiscal year end. TRPA's records are also maintained for at least four years.

The fiscal auditor makes the following statements in the separate TRPA LTF audit of Placer and El Dorado Counties, which also satisfy the prior recommendation:

“As part of obtaining reasonable assurance about whether TRPA’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of §6661 and §6662 of Title 21, Division 3, Chapter 2, Articles 5 and 5.5, respectively, of the California Code of Regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.”

Conclusion: This recommendation has been implemented.

Prior Recommendation 5

Work with the fiscal and compliance auditor for both transit operators to address all required elements of the fiscal and compliance audit listed in CCR 6667.

Background: The prior performance audit found that the FY 2010–11 fiscal audit for TTD did not specifically review compliance with TDA. The fiscal and compliance audits of transit operators should include a statement indicating that the auditor certifies that TDA funds were allocated to and received by the claimant pursuant to applicable statutes, rules, and regulations of the TDA and the allocation instructions of the RTPA. In order to determine compliance with TDA, the fiscal auditor should perform the tasks listed in CCR 6667 (Compliance Audit Tasks – Transit Claimants).

Actions taken by TRPA: During this performance audit period, the fiscal audits of TART and TTD contain the following statements made by the respective independent CPAs:

TART fiscal audit: “As part of obtaining reasonable assurance about whether the TART Fund’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the Transportation Development Act.”

TTD fiscal audit: “As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain

provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Part 21 of the California Code of Regulations, the Transportation Development Act and Section 8879.50 et seq of the California Government Code, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, including noncompliance applicable to Section 6667 of Part 21 of the California Code of Regulations, the Transportation Development Act and Section 8879.50 et seq of the California Government Code.”

The fiscal and compliance audit report does not need to show proof of compliance with each of the 14 tasks specified under CCR Section 6667; however, a statement must be made certifying that the auditor determined compliance with TDA by performing the tasks listed in Section 6667. In the case of the TART and TTD fiscal audits, such statements are made above without showing the tasks.

Conclusion: This recommendation has been implemented.

Prior Recommendation 6

TRPA should calculate compliance with the 50 percent expenditure limitation (PUC 99268.1) or farebox ratios (PUC 99268.2–99268.5) for transit operators within its jurisdiction either independently or through the fiscal and compliance audits.

Background: The prior performance audit identified that farebox ratios were not calculated for TTD in the fiscal and compliance audits during the prior audit period, although the fiscal auditor provided these calculations later upon request. Per CCR 6667, the fiscal and compliance auditor should verify the claimants’ actual operating cost and actual fare revenue as well as the amount of fare revenue required to meet the applicable farebox ratio. If applicable, the fiscal auditor should verify the operators’ eligibility for LTF funds through the 50 percent expenditure limitation per PUC 99268.1. Although ultimately it is TRPA’s responsibility to determine compliance with PUC 99268.2 et al. (farebox ratios), the prior performance audit indicated the annual fiscal and compliance audit is an ideal process for making that determination.

Actions taken by TRPA: The TTD fiscal audits were adjusted during this performance audit period to reflect the farebox recovery. The fiscal audits state that to be eligible for TDA funds, the TTD must maintain a ratio of passenger fares to operating costs of not less than 10 percent for general public transit service operating in a non-urbanized area. The TTD farebox ratio is then compared to the 10 percent threshold. However, the farebox recovery calculation is not shown.

For TART, the 50 percent limitation calculation is quoted in that agency’s fiscal audit. The TART fiscal audit states “TART is subject to the provisions of the TDA requiring the calculation and adherence of fare and local support ratios for TDA transit funding. If TART does not comply with

the 50% expenditure limitation in accordance with PUC 99268, TART would be required to maintain a minimum fare ratio of 25% as designated by the Tahoe Regional Planning Agency (TRPA) based on the ratio achieved in Fiscal Year 1978/79. However, because less than 50% of eligible operating expenses are funded by LTF funds, TART is not required to meet the farebox ratio of 25%, but instead, must meet the farebox ratio of 10% for serving nonurbanized areas pursuant to PUC 99268.”

The audit goes on to calculate the farebox ratio for TART using a formula that excludes TART services in Washoe County (not part of California), 80 percent of the Truckee-Tahoe City route, and 84 percent of the Highway 267 route (share of routes outside of TRPA’s jurisdiction). However, the 50 percent expenditure limitation calculation is not shown in the fiscal audit. Per CCR Section 6633.1, the LTF received shall not exceed 50 percent of the amount that is the sum of the operator's operating and maintenance cost, capital requirements, and debt service requirements less the sum of the operator's revenues from federal grants and the state transit assistance fund. The fiscal audit should include this expenditure limitation calculation for TART if LTF funds allocated by TRPA are based on compliance with this performance measure. Given this calculation is not shown, the alternative measure for TART to receive LTF is the farebox recovery, which is currently calculated in the fiscal audit.

Conclusion: This recommendation has been implemented due to the calculation of farebox recovery in the fiscal audit.

Section IV

Detailed Review of TRPA Functions

In this section, a detailed assessment of TRPA'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*, TRPA's activities can be divided into the following activities:

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

Administration and Management

TRPA follows its vision and mission for the decisions made and actions taken¹: *Our vision is for a Lake environment that is sustainable, healthy, and safe for the community and future generations. Our mission is to cooperatively lead the effort to preserve, restore, and enhance the unique natural and human environment of the Lake Tahoe Region, while improving local communities, and people's interactions with our irreplaceable environment.*

The Lake Tahoe region contains various federal, state, and local transportation planning authorities that do not always align due to various institutional and policy limitations. The region's planning complexity requires an institutional structure that relies significantly on the coordination and collaboration among transportation and land use planning partners. TRPA is unique because of its regional bi-state responsibilities under the Bi-State Compact for land use planning, transportation planning, project review and approval, enforcement of TRPA ordinances, and the achievement of environmental goals. The TMPO is responsible as the body for taking the required actions under federal regulations regarding metropolitan planning organizations. The monthly TMPO meeting is held during the TRPA meetings, so notices and agendas are mailed at the same time. The TRPA Board adjourns in order for the TMPO Board to convene after being joined by the US Forest Service representative. Once TMPO actions are taken, the TMPO Board adjourns and the TRPA Board reconvenes without the representative.

¹ TRPA website <http://www.trpa.org/about-trpa/>

It is important to note that these two policy bodies, although they include many of the same individuals, have diverse missions and responsibilities. TRPA's overriding obligation is adherence to the compact, including attaining and maintaining environmental thresholds. The TMPO's mission, on the other hand, is to provide policy decisions on transportation plans and programs. Integration of the land use and transportation planning process is in place to support the TRPA mission and policies through the TMPO and RTPA authorities and planning requirements.

Strategic Plan

Public policy events over the not-so-distant past helped position TRPA to return to its core focus of leading the regional effort for Lake Tahoe's conservation and restoration. These events have highlighted the ongoing discussion on how best to manage Lake Tahoe. These discussions about Tahoe's future fell on the heels of environmental and economic circumstances in which the lake's survival was threatened on multiple fronts. A failing economy, communities in decline, catastrophic wildfire, invasive species, legacy land use impacts, changing climatic conditions, and the need to strengthen bi-state relations drew out negotiations about Tahoe's future. The adopted 2012 Regional Plan and its implementation during the performance audit period was a culmination of 10 years of unprecedented outreach to build the broadest stakeholder consensus in Tahoe's history. Over the last five years, TRPA has been reinventing itself as a solution-oriented, more collaborative organization poised to solve today's environmental problems. In doing so, TRPA has continued serving the basic partnership that is the Bi-State Compact. The agency's core strategic function is to lead the collaboration among an increasingly broad coalition to implement the goals of the compact. This was embodied in the internal agency cultural shifts that began with the 2010 Strategic Plan and has continued through the strategic plan update in June 2014.

TRPA priorities are highlighted in the updated strategic plan and include establishing and maintaining new cutting-edge, nationally recognized environmental and sustainability programs, and creating an enduring organizational culture of high performance and continuous improvement. These priorities serve as overarching themes for continued agency administration and advocacy for projects and programs that are supportive of enhancing alternative transportation modes such as public transportation and active transportation. The issues and action items identified in the strategic plan combined with adopted policies in the Regional Plan are expected to improve Lake Tahoe's deep water clarity along with conditions in the nearshore.

Overall Work Program

The Overall Work Program (OWP) serves as TRPA/TMPO's annual budget and program guide and is prepared to present a comprehensive plan of work that is funded through state and federal transportation planning grants administered by Caltrans and Nevada Department of Transportation (NDOT). The OWP documents the management, budgetary, and monitoring activities performed and is developed annually for Caltrans/NDOT/federal review and for approval by the TRPA/TMPO Governing Boards. The work elements in the OWP carry out the four strategic priorities in the strategic plan, with TDA-funded activities carrying out the priority to

accelerate threshold attainment. Amendments to the OWP are made and approved as conditions warrant. The work elements focus on state and federal planning area emphasis and were reduced from 12 elements in FYs 2014 and 2015 to 7 in FY 2016 and merged to reduce redundancy. For example, two outreach work elements were merged, regional sustainability programs were combined, and all planning tasks merged under one work element. The work elements are funded by a mixture of federal, state, and local programs including TDA. TDA administrative and planning revenue help fund portions of three work elements.

The TDA administration work element remained consistent during the audit period and helps comply with federal transportation planning factors, including increasing the accessibility and mobility of people, and promoting efficient system management and operation. The work element includes all necessary programs and timelines that are administered for the year including the following:

- To administer requirements of the TDA.
- To process LTF and STA funds for allocation to local entities.
- To prepare the annual transit needs assessment.
- To monitor the completion of necessary operational and financial audits.
- To work with local jurisdictions and transit operators in ensuring appropriate transit improvement recommendations are implemented.

The OWP includes a summary list of staffing cost by work element that could also estimate person years to each work element. LTF revenue allocated to TRPA is shown to contribute to staffing and other costs related to TDA administration, intermodal planning, and project tracking and financial management.

Personnel Administration

The purpose of the *Employee Policy Manual* is to provide fair and systematic procedures for the administration of all matters affecting the status and activities of employees of TRPA. The manual, last revised in August 2009, is comprehensive and addresses numerous personnel topics including performance evaluations, working conditions, communications, benefits, disciplinary actions, grievance procedures, safety prevention, and other related policies. Each employee must acknowledge receipt of the handbook by signing and dating the handbook, and understand that it is their responsibility to read and comply with the policies contained in the handbook and any revisions.

As described earlier, environmental and economic circumstances had adversely impacted the lake's health on multiple fronts. As the agency charged with leading the regional effort for conservation and restoration, TRPA staff shouldered an extensive brunt of negativity from the community brought on by these conditions. As a consequence, along with other issues such as wage equality, decreased morale, and anticipated agency culture changes from strategic

endeavors, staff turnover in a number of department areas occurred during the audit period. Departments and disciplines particularly affected included the sciences, planning, and human resources. In FY 2014 and 2015, staff turnover averaged 23 percent per year, decreasing to 13 percent in FY 2016. The turnover was generally offset by an equivalent number of new hires. The culture shift has included renewed focus on customer support and performance-based results to change public opinion about TRPA.

Transportation Planning and Regional Coordination

Regional Transportation Plan

The Regional Transportation Plan is TRPA’s long-range planning document which guides the development of transportation in the region over the next 20-plus years. The plan in effect during the audit period is the *Regional Transportation Plan: Mobility 2035*, adopted by the TRPA and TMPO Governing Boards on December 12, 2012. The plan serves as Lake Tahoe’s blueprint for a regional transportation system that enhances the quality of life in the Tahoe region, promotes sustainability, and offers improved mobility options for people and goods. The plan also supports an update of the Transportation Element of the TRPA Regional Plan. Further, the plan meets the language of California Senate Bill 375 by presenting an integrated land use and transportation strategy that will allow the region to achieve targets for reducing greenhouse gas emissions by 2035. As California’s planning requirements meet Nevada’s while also being more stringent, the bi-state Regional Transportation Plan follows California’s regulations.

Among its required elements, the plan established performance measures to assess the transportation system, including measures of system, accessibility by non-auto modes of transportation, environmental impacts, and safety. In addition, goals and policies are identified for each objective to guide transportation implementation decisions. The 14 goals and associated policies were developed to be consistent with statewide planning factors, the Bi-State Compact, and the public visioning statement.

Policies supporting the goals include accentuating the promotion of non-auto modes of transportation such as walking, biking, and using mass transit; expanding transit to regions adjacent to Tahoe and implementing waterborne transit; implementing complete streets measures when improving roadways; and finding sustainable financing for transportation projects.

The Regional Transportation Plan planning process provided TRPA with the knowledge and tools to better manage congestion in the region. TRPA engaged in the plan update, which occurs every four years during the latter part of the audit period, maintaining the same goals and policies but changing focus from walkable town centers to connections to community centers and recreation sites through non-automotive travel.² Transit is envisioned to play a significant role in achieving

² Although outside of the audit period, it is noted that the 2017 Regional Transportation Plan, Linking Tahoe, was unanimously approved by the TRPA Governing Board in April 2017.

the goals and providing the travel connections to recreation sites for visitors. A Public Participation Plan guided the outreach process, meeting requirements for public participation included in state and federal legislation, and included Tahoe-specific goals for public participation. Outreach activities included public workshops, public hearings, informational meetings for elected officials, and one-on-one surveys in low-income and minority communities. In addition, TRPA reached out to second homeowners and others unable to attend meetings through social media and an online “canvas” to solicit feedback. TRPA updated the Public Participation Plan in 2016 and applied participation techniques, such as online workshops and bilingual surveys, greater use of social media (Facebook), use of visual techniques, and workshops coordinated with multiple community associations, for the Regional Transportation Plan update. The outreach efforts with assistance from consultants drew interest from over 800 participants and included the public health community linked to low-income residents.

Federal Transportation Improvement Program

TRPA develops and programs transportation projects that are funded with local, state, and federal funds. For Lake Tahoe, TRPA prepares the Federal Transportation Improvement Program (FTIP), a comprehensive four-year program consisting of transportation projects for highway, transit, bicycle, and pedestrian projects that receive federal funds, require a federal action, or are regionally significant. TRPA/TMPO prepares and adopts the program every two years in conjunction with local agencies, Caltrans, NDOT, the FTA, and the Federal Highway Administration.

The FTIP lists every transportation project including those from local agencies and transportation operators including TTD and TART that will receive federal funds or that is subject to a federally required action, such as a review and approval of environmental documents. In order to provide easy access and visualization of transportation information, TRPA/TMPO tracks all transportation projects, including FTIP projects, in the Environmental Improvement Program EIP Project Tracker online. The EIP Project Tracker is an online user-friendly database that displays information about projects with interactive maps, charts, and photos. A transportation module is included in the tracker and enables agencies to update their projects online. In turn, TRPA/TMPO updates the FTIP and necessary project and funding adjustments. This enhanced process has made programming smoother and more transparent.

Funding sources identified in the FTIP include:

- Section 5307 Urbanized Area Transit Formula
- Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities
- Section 5311 Rural Area Transit Formula (Nevada only)
- Section 5339 Bus and Bus Facilities

A call for projects process is used to solicit project applications and award state and federal funding. Following selection, the funds are obligated and tracked for spend down. Annually, TRPA/TMPO develops a listing of projects for which federal funds were obligated in the preceding year. Funding obligations for public transportation during the audit period include transit operating assistance for fixed routes and on-call and capital funding for buses. TDA-LTF funds in the FTIP have also been separated between the LTF and STA revenue for more precise financial programming and presentation.

Transit Planning and Oversight

Transit planning and oversight by TRPA are provided through various approaches. The principal planning guides have been the recent Systems Plan Update prepared for TART sponsored by Placer County, and an expanded ridership survey research effort for TART sponsored by TRPA. The TART studies are described in more detail in the prior audit recommendation section of this report.

TRPA is also sponsoring a regional transit visioning study for TTD that is near completion. *The Lake Tahoe and Area Transit Master Plan* takes a multistep approach to developing a longer-term transit system that seeks to match the anticipated travel in the Tahoe area. The steps include:

- Creating a vision through review of existing plans and developing a vision statement.
- Creating and defining goals and objectives as well as performance measures.
- Undertaking a system assessment to provide an indication of how the services are utilized.
- Drafting a network of services that shows the transit services and associated infrastructure.
- Finalizing the network and making changes in the route structure or infrastructure placement, phasing, and costing.
- Compiling the final report that describes the process, the consultation, methodology, phasing, transit routes, and infrastructure that make up the master plan.

Central to the master plan process is public engagement, particularly in the visioning and goal setting, drafting of the network, and finalizing the plan. Stakeholder and public engagement is key to examining the reaction to the transit service proposals. The transit master plan is part of the larger Tahoe Basin Corridor and Integrated Transit System Planning Project undertaken by TTD. With the current transit systems, the master plan indicates it is crucial that an integrated and holistic regional transit system be established to offer a realistic transportation alternative to residents and visitors to and within the Tahoe basin.

TRPA is updated on transit through other channels including participation on the RCC, and the annual unmet transit needs process in consultation with the RCC and SSTAC. The annual claim forms submitted by TART and TTD for TDA funds also contain a level of information regarding the status of their respective transit systems. Further, the TDA checklist of key dates prepared by TRPA includes a date in September when the operators are expected to submit a report on

operations to TRPA. However, this has not been occurring. On a regular basis, TRPA does not typically request that transit operations performance information be provided by the operators for monitoring of transit service. This request is the practice of some RTPAs as another means to monitor service and develop operating trends on a timelier basis.

TDA Claimant Relationships and Oversight

TRPA is responsible for the administration of the TDA program. The uses of TDA revenues apportioned to TART and TTD flow through a priority process prescribed in state law. The LTF apportionments to the operators are based on the latest population figures from the California Department of Finance. In order of priority, LTF funds are allocated as follows³:

- County Auditor administrative costs
- TRPA administrative and planning costs, based on final OWP and budget
- Area apportionments to local jurisdictions in Tahoe portion of Placer and El Dorado Counties for transit operations (local jurisdictions include Placer County, El Dorado County, and City of South Lake Tahoe)

Prior to allocation of funds to the local jurisdictions/TART/TTD, TRPA is able to claim LTF revenues for administration of the fund and for regional transportation planning and programming purposes. During the audit fiscal years of 2014 through 2016, TRPA claimed the amounts shown in Table IV-1 below. The totals are about 5 percent of the annual LTF revenues available for apportionment each year.

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

Fiscal Year	LTF Claim for Administration	LTF Claim for Planning	Total
2014	\$40,000	\$35,000	\$75,000
2015	\$40,000	\$35,000	\$75,000
2016	\$40,000	\$35,000	\$75,000

Source: TRPA TDA Funding Apportionments Final Estimates

TDA Claim Processing

On an annual basis during this audit period, TRPA was responsible for managing LTF revenues of about \$1.5 million and about \$550,000 in STA funds. The following amounts of LTF and STA funds were allocated to TART and TTD, as shown in Table IV-2.

³ TRPA LTF is based on Placer County and El Dorado County shares divided for the Tahoe region. The percentage share for TRPA is 2.9941 percent of total LTF in Placer County, and 19.122 percent of total LTF in El Dorado County. The split is based on an annual special population estimate provided by the California Department of Finance.

Table IV-2
Total TDA Funding Allocations to Transit Claimants

Fiscal Year	Local Transportation Fund (LTF)		State Transit Assistance (STA)		Total
	TART	TTD	TART	TTD	
2014	\$646,408	\$798,745	\$172,186	\$449,599	\$2,066,938
2015	\$610,054	\$805,929	\$157,626	\$355,194	\$1,929,802
2016	\$677,727	\$804,833	\$164,878	\$364,755	\$2,012,193

Source: TRPA TDA Funding Apportionments Final Estimates; STA Final Estimates

The STA regional funding portion (PUC 99313) received by TRPA is split between the two transit agencies. In FY 2013–2014, Placer County (TART) and TTD agreed to use a standard percentage split for allocating funds based on the past six years of allocations, as operating data to revisit the split was not available in a timely manner. This standard percentage includes Placer County receiving 33.02 percent, and TTD receiving 66.98 percent, which accounts for ridership and population. Another formula accounting for vehicle service hours, vehicle service miles, and population of each provider was also used which yielded similar percentage splits. TART and TTD are reviewing whether the percentages continue to be reasonable, and changing the source of data to the National Transit Database for more timely information. Such a switch to the urbanized National Transit Database methodology shows a breakdown of 63 percent for TTD, and 37 percent for TART. TART and TTD must each prepare a timely NTD report as urban operators.

TRPA provides assistance on TDA to the transit claimants. TRPA prepares and distributes several documents during the TDA claims process. The documents include the estimates of apportionment, instructions, and the TDA claim form and budget template. The claim form is a PDF file that can be filled out electronically. TART and TTD submit a claim to TRPA, which then reviews the claims for consistency against fund estimates and maximum eligibility. Backup documentation to the claim is provided to substantiate the request for funds, and can include budgets, CHP inspection certificates, and a certified copy of the resolution from the claimant's governing board approving the claim and its submittal to TRPA.

TRPA indicated that some claims do not contain all backup documentation, such as the CHP inspection certificate, and a simple reminder is communicated to the claimant. Improvements to the process include TRPA documenting a checklist of key dates for transmittal of documents and responsible parties including the county auditors, State Controller, TRPA, and the transit systems. Although the key dates show TDA claims to be submitted by April 1 (a guidance date from Caltrans), TTD typically submits its claim early while TART waits for updates such as to the population estimates and final TDA apportionments. Once final TDA claim packages are submitted by the operators and approved by TRPA, they are scheduled for approval by the TRPA Governing Board. To aid in the consistency in materials submitted with the claim and ensure compliance with TDA requirements, a checklist of required documentation as well as a separate standard assurances checklist are often included in the TDA claim packet. These additional

complementary items may be of assistance in TRPA's ability to further standardize the TDA process.

Unmet Transit Needs

Because no LTF is allocated to streets and roads, TRPA is not subject to the formal unmet transit needs process and findings. However, the agency maintains definitions of "unmet transit need" and "reasonable to meet" adopted by the governing board. The definitions are documented in the *Analysis and Determination of Unmet Transit Needs* and *Unmet Transit Needs Report* prepared by TRPA. They are defined as:

UNMET TRANSIT NEEDS - Those public transportation improvements which have not been funded or implemented but have been identified through public input, the annual unmet transit needs hearing and transit studies in the claimant's jurisdiction to be identified for implementation in the Regional Transportation Plan.

REASONABLE TO MEET - New, expanded, or revised transportation service to the public that offers equitable access, can be implemented within the first five-year phase of the Regional Transportation Plan, is technically feasible, would be accepted by the community, can be funded within the five-year time period and is cost effective.

The data for the report is compiled from comments received at the RCC meetings, and unmet transit needs workshops held in the north and south shore areas. Emails and phone calls are also fielded by TRPA for unmet needs. Flyers in English and Spanish are distributed to advertise the workshops, which are held during the fall season. The unmet transit needs comments, analysis, and recommendations are presented on a table in the report, and are forwarded to the transit operators for review and consideration with findings whether the needs are reasonable to meet and consistency with their respective transit plans.

The unmet transit needs process is ongoing and TRPA continues to coordinate with local agencies, private organizations, and the public to solicit, identify, and address needs. The unmet transit needs are taken into consideration during future transportation planning. TRPA will continue to allocate all LTF apportionments available for public transportation to transit services only until all reasonable to meet transit needs are met.

The RCC plays a prominent role in the unmet needs process and identifies ways to coordinate transportation services and promote independence and mobility. Given that the SSTAC members are also members of the RCC, other RTPAs have created organizational efficiencies through combining their SSTACs with their citizen advisory groups or the transit agency's transit advisory committees while maintaining compliance with the TDA. As long as the membership requirements of the SSTAC as stated in the law are established, the merging of these advisory committees in fulfilling statutory responsibilities has been shown to be successful by drawing together various interests to discuss transit issues.

Marketing and Transportation Alternatives

TRPA's focus on promoting conservation efforts such as alternative transportation modes is directed through its vision and mission and by the Bi-State Compact. This is evidenced through projects and programs including the strategies contained in the long-range regional transportation plan and long-range transit master plan. In this manner, the marketing and information distribution about public transportation and active transportation is inherent to the daily activities of the agency.

TRPA's website (<http://www.trpa.org/>) is a portal to a wealth of information. From describing the agency, planning and programs, and to public engagement, the website contains the information and materials that demonstrate TRPA's commitment to promoting non-automotive transportation. Promotion of public transit in North Lake Tahoe is primarily conducted for TART through the Truckee Tahoe Transportation Management Association. TTD promotes public transit in its service area through its staff of transit information officers, the mobility management program, and the RCC. Public workshops held for unmet transit needs in both the north and south shore areas also provide visibility for transportation alternatives.

Tahoe In Depth is a major printed publication contributed by TRPA in partnership with various state and federal agencies. The newspaper-style subscription publication reports on stories of relevance to the protection, enjoyment, and exploration of the Lake Tahoe Basin. *Tahoe in Depth* covers any number of relevant topics including environmental news, work promoted by public agencies for conservation and restoration, visits from prominent U.S. dignitaries including former President Obama in August 2016 for the 20th annual Lake Tahoe Summit, and mobility and planning. In the winter 2016 edition, for example, an article focused on transportation's role and transit programs that will connect the region's town centers, neighborhoods, and recreation.

Grant Applications and Management

TRPA serves an important role for state and federal transit grant applications to coordinate and determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. For example, under the State Proposition 1B program, TRPA is the direct grant recipient for Public Transportation, Modernization, Improvement, and Service Enhancement Account (PTMISEA) and Transit System Safety, Security & Disaster Recovery Account Funds. TRPA is responsible for calculating operator allocations for funds, and the management, financial, and planning capability to submit grant applications. TRPA approves resolutions of these actions, including submitting financial management forms, grant assurances, authorized agent signature authority, and board resolution. TRPA also tracks the interest accrual schedule for the Prop 1B funds and checks for consistency against the accounting ledger. Both transit operators, as recipients of the funds for capital projects, assist TRPA in preparing required documentation such as the grant application and biennial progress reports. For the audit period, according to the financial audits of the Proposition 1B funds, TRPA received the following:

**Table IV-3
Proposition 1B Funding**

Fiscal Year	PTMISEA	Transit Security	Total
2014	\$133,672	\$75,431	\$209,103
2015	\$689,487	\$75,431	\$764,918
2016	\$0	\$75,431	\$75,431

Source: TRPA Independent Auditor's Annual Report on Proposition 1B

Transit projects receiving funds include automated vehicle locator system, bus replacements, and radios, facility security, and solar bus shelter lighting. The FY 2015–16 Proposition 1B audit shows an unspent balance of \$1.6 million for PTMISEA, and \$186,000 for transit security.

With regard to federal transit grants, the federal FAST Act designates the Lake Tahoe Basin as an urbanized area with a population of 210,000 (145,000 in CA and 65,000 in NV) for applicable grant programs. The transit systems are eligible for FTA formula funding under the Urbanized Area Formula Program (Section 5307 and 5339). Additional rules and coordination between TRPA, serving as the metropolitan planning organization, and the two transit systems are required for successful urbanized formula grant procurement. To this end, while slightly outside the audit period, the three parties signed a Memorandum of Understanding (MOU) in September 2016 regarding the coordination of transit planning and programming of federal funds.

Both TTD and Placer County (TART) are eligible to apply for and receive FTA and/or Federal Highway Administration transit funding, while TRPA works cooperatively with the public transit operators to develop the Regional Transportation Plan and FTIP through performance-based planning and programming for urbanized areas. For FTA funding, TRPA allocates the apportionment among the operators based on ridership data from the previous year (% split) and US census. The MOU sets out to foster a cooperative and mutually beneficial working relationship between the three agencies for the provision of coordinated transit planning, identify the regional transit planning responsibilities for programming federal funds, and codify the process and the criteria for selection of transit projects and sub-allocation of federal funds in the Lake Tahoe region. TRPA and the transit operators are currently working to develop and support implementation of a performance-based approach toward transportation decision-making in order to implement transit priorities identified in the Regional Transportation Plan and apply federal transit funds toward achieving the plan's goals in coordinated manner.

The MOU places responsibility for each agency to ensure their annual certifications and assurances regarding FTA grant programs, meet certain public participation requirements, and submit annual reports to the National Transit Database. TRPA, TART, and TTD developed a regionally acceptable methodology to sub-allocate FTA Urbanized Area Formula Grants (Section 5307) and Bus and Bus Facilities (Section 5339). TRPA will use the sub-allocation process to program the funding into the FTIP.

Section V

Findings and Recommendations

The following material summarizes the findings obtained from the triennial audit covering FYs 2014 through 2016. A set of recommendations is then provided.

Findings

1. TRPA has satisfactorily complied with most applicable state legislative mandates for RTPAs. Of the 14 compliance areas, the agency fully complied with 10 measures, partially complied with one, and did not comply with another. Two additional compliance areas did not apply to TRPA.
2. The measure that was in partial compliance relates to the requirement for TRPA to ensure at least an annual public hearing is held within the jurisdiction of the Social Services Transportation Advisory Council as part of the citizen participation process. Although public workshops on unmet transit needs are held in the north and south shore areas, a noticed public hearing is also typically held by the regional transportation planning agency board that meets noticing and open meeting rules. The compliance measure not met is related to TRPA setting revised transit fare revenue ratios in light of the Tahoe basin being recognized as an urbanized area. The basin was recognized as an urban area on December 4, 2015 which occurred in the latter part of the audit period. TRPA will be working on setting a new farebox ratio. The compliance areas that did not apply to TRPA during the audit period pertained to establishing rules and regulations for other potential claims to the TDA funds (e.g., Article 3 and 4.5).
3. Of the six prior audit recommendations, TRPA implemented four and partially implemented two. The two recommendations partially implemented relate to holding a public hearing for unmet transit needs, and enhancing the TDA claims process.
4. Over the last five years TRPA has been reinventing itself as a solution-oriented, more collaborative organization poised to solve today's environmental problems. This was embodied in the internal agency cultural shifts that began with the 2010 Strategic Plan and has continued through the strategic plan update in June 2014.
5. The TDA administration work element of the Overall Work Program remained consistent during the audit period and helps comply with federal transportation planning factors including increasing the accessibility and mobility of people, and promoting efficient system management and operation.

6. The Regional Transportation Plan process provides TRPA with the knowledge and tools to better manage congestion in the region. TRPA engaged in the plan update during the latter part of the audit period in which transit and active transportation modes were envisioned to play a significant role in achieving the plan goals. An updated public participation plan provided guidance for outreach.
7. While TRPA is not subject to the formal TDA unmet transit needs process and findings, the unmet needs process is ongoing and TRPA continues to coordinate with local agencies, private organizations, and the public to solicit, identify, and address needs. The unmet transit needs are taken into consideration during future transportation planning.
8. With designation of the Tahoe region as an urbanized area by the federal transportation act, additional rules and coordination between TRPA and the two transit systems are required for successful urbanized formula grant procurement. To this end, the three parties signed a Memorandum of Understanding regarding the coordination of transit planning and programming of federal funds.

Recommendations

1. Hold annual public hearing in compliance with citizen participation rules of the TDA.

TRPA, in coordination and cooperation with the TTD Regional Coordinating Council and the Truckee North Tahoe Transportation Management Association, participates in existing workshops to solicit transit needs each year. These workshops are to be commended and demonstrate the spirit of the TDA in involving the public. In carrying forward a partially implemented recommendation from the last audit, the TDA rules (Public Utilities Code Section 99238.5) require an annual public hearing with proper notice given at least 30 days in advance through publication in a newspaper of general circulation, and including the date, place, and specific purpose of the hearing. TRPA also must send written notification to those persons and organizations which have an interest in the subject. From these requirements, a public hearing is traditionally held during a regular meeting of the RTPA board—in this case, the TRPA Governing Board, as the notification process has been undertaken and board meetings comply with all open meeting rules. This public hearing, in addition to the existing workshops in the north and south shore areas, would meet compliance with the TDA-mandated citizen participation process.

2. Determine updated farebox recovery ratios for the transit operators due to urbanized status.

The Tahoe region received urbanized designation from the federal transportation act. One impact from this designation is that the TDA farebox recovery standard increases from a 10 percent rural standard to a 20 percent urban standard. The farebox ratio is characterized as

the ratio of passenger fares plus local funds to eligible operating costs. Both TART and TTD have been subject to the rural farebox recovery ratio until the change in urban status. TRPA has a responsibility to update the farebox recovery standard. Several options are available for implementation of the updated standard, including resetting the ratio straight to 20 percent, allowing a certain number of years for the operators to meet the new ratio (up to 5 years), setting the urban ratio at a minimum of 15 percent, and/or a combination of options. The lower standard of 15 percent is allowed by the TDA as the population of the region is less than 500,000. Under law, TRPA must provide specific reasons prior to setting this lower farebox ratio. TRPA and the transit operators should discuss the options and provide an updated farebox ratio to meet compliance as an urbanized operator.

3. Evaluate the merit of combining the TRPA Social Services Transportation Advisory Council and the TTD Regional Coordinating Council.

The SSTAC, while statutorily required by the TDA to be created by regional transportation planning agencies such as TRPA, has not met regularly to discuss transit needs. Rather, unmet transit needs have largely been undertaken through the involvement of the TTD Regional Coordinating Council. The Regional Coordinated Council (RCC) assists the SSTAC while including members of the SSTAC as well as a larger audience of stakeholders involved in human service transportation. Given that SSTAC members also participate on the RCC, there are examples statewide where these two related committees are combined to create efficiencies and still meet TDA regulations. A few examples are from Monterey County where the transit operator's mobility advisory committee is integrated with the transportation planning agency's SSTAC, and Santa Barbara County where the transportation planning agency's citizen advisory committee and SSTAC are merged. For this integration to occur in the Tahoe region, the SSTAC bylaws with respect to setting forth specific requirements for committee membership and term limits will need to be integrated into bylaws of the RCC. The expanded membership of the RCC would be beyond the required positions of the SSTAC. A merged transit advisory body to serve both TTD and TRPA would provide efficiencies in meeting both statutory and public input requirements.

4. Continue strengthening the TDA claim process and monitoring of transit service.

TRPA has made improvements to its TDA claims process by such examples as developing a checklist of key dates for carrying out various reporting functions, and working with the transit operators to submit all required documentation with their funding claims. In striving toward standardizing the claim form and ensuring the transit operators meet compliance, it is suggested that TRPA add a checklist of required documentation to provide backup to the claim, as well as a separate standard assurances checklist in the TDA claim packet. The assurances list enables the transit operator to sign off on meeting different TDA measures such as performance standards, completion of financial audits, and operational provisions as a condition of TRPA approving the funds for allocation. These additional complementary items to the claim form may be of assistance to TRPA in its ability to further standardize the TDA process and receive all requested documentation. Examples of these lists, which are

generally industry practice, are provided to TRPA for discussion with the transit operators and implementation.

Monitoring performance and productivity of TART and TTD are also under TRPA's purview. One of the key dates listed in the TRPA claim process is when the operators are expected to submit a report on operations to TRPA. However, this has not been occurring. While this audit identifies current methods of monitoring by TRPA, the agency should continue strengthening this process. On a regular basis, TRPA should request that transit operations performance information be provided by the operators for monitoring of transit service. This might be captured, for example, through the operators submitting to TRPA the annual State Controller Transit Operator report or pulling annual data from the federal National Transit Database; requiring performance data be submitted with the TDA claim; and/or submittal of performance data on a more frequent basis such as quarterly or biennially. This provides TRPA with information to monitor transit productivity as a responsibility of a regional transportation planning agency and develop operating trends on a timelier basis.

5. Consider development of TDA rules for Article 3 bicycle and pedestrian funding.

The Regional Transportation Plan includes public transit and nonmotorized travel as means to help ease congestion. As both are interlinked and essential for the Tahoe region, the TDA has eligible funding programs not only for transit, but for bicycle and pedestrian projects. An eligible use of Local Transportation Funds (LTF) within the TDA revenue program at TRPA's discretion is for bicycle and pedestrian projects under TDA Article 3. This off-the-top apportionment is limited to 2 percent of LTF and could be available to the local jurisdictions (City of South Lake Tahoe and Placer and El Dorado Counties) for such projects. TRPA should consider developing rules and regulations for possible use of LTF for bicycle/pedestrian projects, including method of apportionment and ensuring the projects are linked to transit usage. TRPA will have a level of flexibility and oversight in working with the transit operators and the local jurisdictions in funding both local and regional projects and providing matching funds. A sampling of how the funds could be allocated include by population, call for projects, rotating use of the fund, and/or building a reserve balance for use for regionally significant projects. A method to allocate nonmotorized funding from the TDA should be considered and implemented to further the goals and objectives of the Regional Transportation Plan and connections to public transit.