



FY 2009–2011 TRIENNIAL
PERFORMANCE AUDIT OF
MADERA COUNTY
TRANSPORTATION COMMISSION

SUBMITTED TO

MADERA COUNTY TRANSPORTATION COMMISSION

SUBMITTED BY



March 2012

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6. Board and committee members have expressed a high confidence in MCTC staff and their competence, knowledge and responsiveness to requests.
7. MCTC underwent an audit of its annual Indirect Cost Allocation Plan (ICAP) by Caltrans for FY 2009-10. MCTC was designated as being a “high risk entity” in FY 2007-08 by Caltrans. MCTC proposed an indirect cost rate of 77.88 percent of total direct salaries and wages plus fringe benefits. The primary reason for an ICAP is to document the recovery of overhead costs for grant funded programs.
8. In response to the ICAP audit, MCTC has taken concrete steps in adopting a comprehensive set of goals and objectives that address internal procedures, operations and fiscal controls. In January 2011, MCTC achieved a significant accomplishment through adopting an Accounting & Financial Policies and Procedures Manual.
9. The 2011 RTP was prepared during the audit period and adopted in July 2010. The goals contained in the 2011 RTP aim to promote the development of a coordinated multimodal transportation system integrated with land resource management strategies and air quality goals.
10. The Short Range Transit Development Plan (SRTDP) was adopted by MCTC in December 2009. The SRTDP has a five-year planning horizon spanning FY 2009-10 to FY 2013-14 and was developed by MCTC staff. There are 10 sections that address the transit goals, performance measures, needs, financial projections and marketing of the five public transit systems and programs operating in Madera County.
11. During the audit period (FY 2010-11), MCTC assumed responsibility over the accounting portion of the claim process. Prior to this change, the Madera County Auditor handled the TDA accounts, which involved tracking balances. MCTC’s Fiscal Supervisor cited a preference for having control over TDA accounting in order to keep track of claimant payments and interest postings. The Administrative Assistant reviews the initial claim forms as they are received for processing.
12. Many of MCTC’s public transit planning and coordination efforts are handled by a Fresno-based consultant. This consultant provides TDA claims assistance, performance monitoring and route-planning guidance to the county’s transit operators. The consultant recommended that TDA procedures be formalized in written form for both the benefit of staff and claimants.
13. The unmet transit needs process is promoted extensively to ensure ample participation and comment from the public. Notices of Public Hearing are publicized in local daily and weekly newspapers. Flyers and placards printed in English and Spanish are distributed throughout the county including transit operators and the Madera Intermodal Center.

14. As part of its public information and marketing efforts, MCTC utilizes a number of approaches that involve more focused strategies that are project specific. There is a greater emphasis on electronic media than on print publications and collateral. The MCTC Web site contains an extensive array of information and documentation.

Six recommendations are provided to improve MCTC's administration and management of the TDA program and its organization. Each recommendation is described in detail in the last chapter of this audit and is summarized below.

Performance Audit Recommendations

1. Conduct assessment of transit dependent and current transit services pursuant to Public Utilities Code (PUC) 99401.5(b).

Pursuant to Public Utilities Code (PUC) 99401.5(b), regional transportation planning agencies are required to perform an annual transit needs assessment to identify the transit needs of the jurisdiction that have been considered as part of the transportation planning process, including the following:

- An assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including but not limited to the elderly and persons with disabilities, including individuals eligible for paratransit and other special transportation services, and persons of limited means, including but not limited to recipients under the CalWORKs program;
- An analysis of the adequacy of existing public transportation and specialized transportation services, including privately and publicly provided services, to implement the plan to meet identified transit demand; and
- An analysis of potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.

Such a transit needs assessment should be performed as an integrated piece of the Unmet Transit Needs process in consultation with the Social Service Transportation Advisory Council (SSTAC) and would serve as a useful tool in evaluating changing transit demand.

2. Enhance TDA application form to include a Standard Assurances list for transit fund claims.

The purpose of the standard assurances form allows each operator to certify that all conformance requirements are satisfied to receive both LTF and STA funds. Examples are the timely conduct of the annual state controller and fiscal audits, and full use of available federal funding. The attachment of CHP compliance certificates to the claim is another example of a standard assurance that MCTC should require verifying participation in the pull notice program. Submittal of these forms by the operators to MCTC is a compliance

requirement. For example, should there be instances of unsatisfactory CHP ratings for a variety of violations, MCTC would be aware of these findings and follow up with the operator to maintain compliance.

The appendix to this audit shows a sample Standard Assurances list that would be included as part of the forms submitted by the transit claimants. This list, which would be signed and initialized by the appropriate claimant, serves as an annual reminder of specific TDA compliance measures. This list could also be included in the TDA procedures manual under consideration by MCTC.

3. Provide estimation of MCTC employee time allocation for Overall Work Program elements.

As the Overall Work Program (OWP) guides MCTC's annual work elements and budget, it is important that the OWP continue to provide transparency and accountability in the agency's activities. As expenditures for each OWP task element and project are currently segregated by percentage breakdowns in the OWP document, it is suggested that MCTC attach an equivalent allocation of staff time (such as in personnel hours/days/months, full-time equivalents, etc.) that expresses staff work efforts on each task. This recommended effort would project staffing times based on task budgeting. This added feature to the OWP provides indication of projected human resource commitment to each project and associated expense, and level of agency effort needed to complete the task.

4. Ensure annual TDA fiscal and compliance audits are submitted on time.

This recommendation is carried over from the previous audit. MCTC was found to be in partial compliance with regard to the timely submittal of annual fiscal and compliance audits during the audit period. Pursuant to Public Utilities Code Section 99245, TDA claimants are required to submit annual fiscal and compliance audits to MCTC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension to MCTC as allowed by law. It is suggested that MCTC's Fiscal Supervisor continue to work closely with the claimants as part of enhanced oversight procedures to ensure that the annual TDA fiscal audits are submitted within the statutory time frame. MCTC has followed state law by withholding funding until the fiscal audits are submitted.

5. Develop resource document for TDA application and claim procedures, and fund allocation.

The summary allocations of TDA funds are primarily documented in MCTC Board resolutions that are approved before the funds are processed. While this approach is noteworthy and should continue in its current form, there should also be a handy resource guide or manual developed by MCTC that describes in detail key facets of the TDA program such as funding eligibility, unmet needs, transit performance measures, and claims process. The resource would provide further clarity as to the linkage between MCTC policies directing TDA, the TDA administrative activities that are conducted by MCTC, and the funding allocations to

the local jurisdictions for eligible programs such as bike and pedestrian projects, public transit, and streets and roads.

A set of guidelines could address the following:

- a. How the region annually “apportions” funds among eligible recipients and conditionally approves the fund estimates at the start of each fiscal year.
- b. What are the different categories of TDA funds and their allowable uses.
- c. How to prepare a TDA claim and ensure all reporting requirements are met.
- d. What are eligibility and/or update requirements for claims’ approval by MCTC.
- e. What is the minimum farebox recovery ratio applicable to each transit operator.
- f. How to compute farebox recovery ratios (transit claimants-only) and assess compliance with the minimum required ratio(s).
- g. What are MCTC’s responsibilities in administering the TDA program and how those impact the TDA claim review, approval and schedule.

Existing and potential claimants would also become more familiar with the restrictions and requirements in claiming and using the funds. There are available sample TDA administrative manuals that have been produced by other RTPAs that help guide the TDA process. Each one is customized according to local conditions in how their respective TDA programs are administered, and provides a useful resource and educational tool.

6. Certify in triennial audit letter to Caltrans that transit operator TDA performance audits are not conducted in Madera County.

At the time the MCTC performance audit is completed and submitted to Caltrans, MCTC should ensure that a cover letter accompanying the MCTC performance audit explains that performance audits of operators are not conducted because of their status as Article 8 funded services. TDA statute does not require performance audits of Article 8 transit claims. However, many Article 8 transit services undergo performance audits in other counties as a measure of local policy and good industry practice attesting to the value of a third party evaluation.

Section I

Introduction – Initial Review of MCTC Functions

The Madera County Transportation Commission (MCTC) retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2008-09 through 2010-11. MCTC 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 State Department of Transportation (Caltrans) as a condition of receiving TDA funding.

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

Overview of Madera County and MCTC

Madera County is geographically located in the exact center of California spanning from the San Joaquin Valley in the west to the Sierra Nevada foothills and mountains in the east. The county is bordered by Fresno County to the south and west, Merced and Mariposa Counties to the north, and Mono County to the east. The terrain varies from 180 feet above sea level on the San Joaquin Valley floor to 13,157 feet at Mount Ritter in the Sierra Nevada range. The county's geographical land area encompasses 2,147 square miles and is traversed by over 1,800 miles of county-maintained roadways. The two major north-south highways are State Routes (SR) 41 and 99. Other state highways that traverse the county include SR 49, 145, 152 and 233.

Population growth has seen a marked increase in recent years. According to the 2010 U.S. Census, the county's population is 150,865, an increase of 22.5 percent from the 2000 Census figures. The California Department of Finance 2011 estimate reports a countywide population of 152,281. The county seat and largest city is Madera with an estimated population of 61,416 based on the 2010 U.S. Census. The population of Madera is followed by Chowchilla with an estimated population of 18,720, which is the only other incorporated city in Madera County. Notable unincorporated communities and census-designated places include Ahwahnee, Bass Lake, Bonadelle-Ranchos-Madera Ranchos, Coarsegold, Fairmead, North Fork, Oakhurst, and Yosemite Lakes. There is also one federally-recognized Native American tribe, the Northfork Rancheria of Mono Indians of California, headquartered in North Fork. The Rancheria encompasses 80 acres along the western edge of the Sierra National Forest.

The local economy is dominated by agriculture, government, tourism and services. Agriculture is the largest industry in the county, accounting for 30 percent of employment. Government, another significant sector, accounts for 19.5 percent and services makes up nearly 17 percent of the total. The top agricultural commodities based on the Madera County 2009 Agricultural Crop Report include grapes, almonds, dairy products, pistachios and beef cattle.

In its capacity as a RTPA for TDA administration, MCTC administers and allocates TDA revenues to eligible claimants, including transit operators and local jurisdictions for street and road purposes. Among its planning responsibilities, MCTC is required to develop and approve a three- to five-year transportation improvement program as well as a short range transit plan. In addition, MCTC plans and programs local and regional transportation projects for funding and coordination with regional programs.

MCTC's total budgeted TDA allocations for administration and plans/programs during the fiscal years addressed by this audit ranged from \$186,015 in FY 2008-09, to \$117,695 in FY 2009-10, to \$87,740 in FY 2010-11. The declining trend in budgeted TDA allocations during the period is due to MCTC Administration Element being eliminated and administration funds derived from other sources.

Role and Structure of MCTC

The Madera County Transportation Commission (MCTC) was created in June 1972 by the Madera County Board of Supervisors (Resolution No. 72-331) pursuant to Section 29535 of the California Government Code. In July 1972, MCTC was designated the Local Transportation Planning Agency by the Secretary of the Business and Transportation Agency of the State of California. MCTC's role was later expanded into the Regional Comprehensive Planning Agency, Regional Transportation Planning Agency (RTPA), Metropolitan Planning Organization (MPO) as well as the Local Transportation Commission for Madera County designated pursuant to Title 3, Division 3, Chapter 2, Article II, Section 29532 of the California Governmental Code. It is responsible for the planning and programming of transportation-related funding and projects including the Regional Transportation Plan (RTP) and the Regional, State and Federal Transportation Improvement Programs (TIPs) required by state and federal law. In addition, MCTC guides the following:

- Approval of the allocation of and claims for Transportation Development Act funds;
- Administration of the Measure "T" program as the Local Transportation Authority;
- Provision for the distribution and oversight of Local Transportation Fund monies;
- Preparation and submission of applications for transportation related funds;
- Provision of the planning, programming and administration of regional transit services; and,
- Encouragement of active citizen participation in the development and implementation of various transportation-related plans and programs.

MCTC staff is comprised of an Executive Director, Deputy Director, Fiscal Supervisor, Transportation Planner II, Transportation Planner I and an Administrative Assistant. Staffing

levels of MCTC can include up to seven full-time positions (see organization chart) with the addition of Transportation Planner I.

MCTC's offices are located at 2001 Howard Road, Suite 201 in the city of Madera. Meetings of the MCTC and standing committees are held in the Board Room at MCTC. Staff provides support to the MCTC Board as well as to the advisory and standing committees as described below:

MCTC Board of Directors: The purpose of the Board of Directors is to serve as the principal policy making body of MCTC. The MCTC Board serves as the Commission's principal governing body whose members are appointed by the member agencies. Membership of the Board is comprised of three members from the Madera County Board of Supervisors; two members from the Madera City Council; and one member from the Chowchilla City Council. A quorum is constituted when at least 4 members are in attendance. The committee meets the third Wednesday of the month at 3:00 p.m.

Transportation Advisory Committee (TPC): The TPC is comprised of the same membership as the Board with the addition of an ex-officio member representing the Caltrans District 6 Director. The TPC reviews transportation plans and programs prior to action by the Board, with particular attention to compliance with applicable state and federal planning and programming requirements. The committee meets the third Wednesday of the month at 3:00 p.m.

MCTC Technical Advisory Committee (TAC): The TAC is composed of planning and public works representatives from each member agency including the ex-officio member of MCTC. The purpose of the TAC is to review the technical merits of various issues and projects as well as to coordinate the plans and development of regional transportation improvement program of projects, transportation planning programs, and transportation funding programs. Members include the Madera County Road Commissioner, Madera County Planning Director, City of Madera Engineer, City of Chowchilla Administrator, and one representative from Caltrans District 6. The committee meets the second Monday of the month at 1:30 p.m. and on the second Tuesday during the months of October and November at the same time.

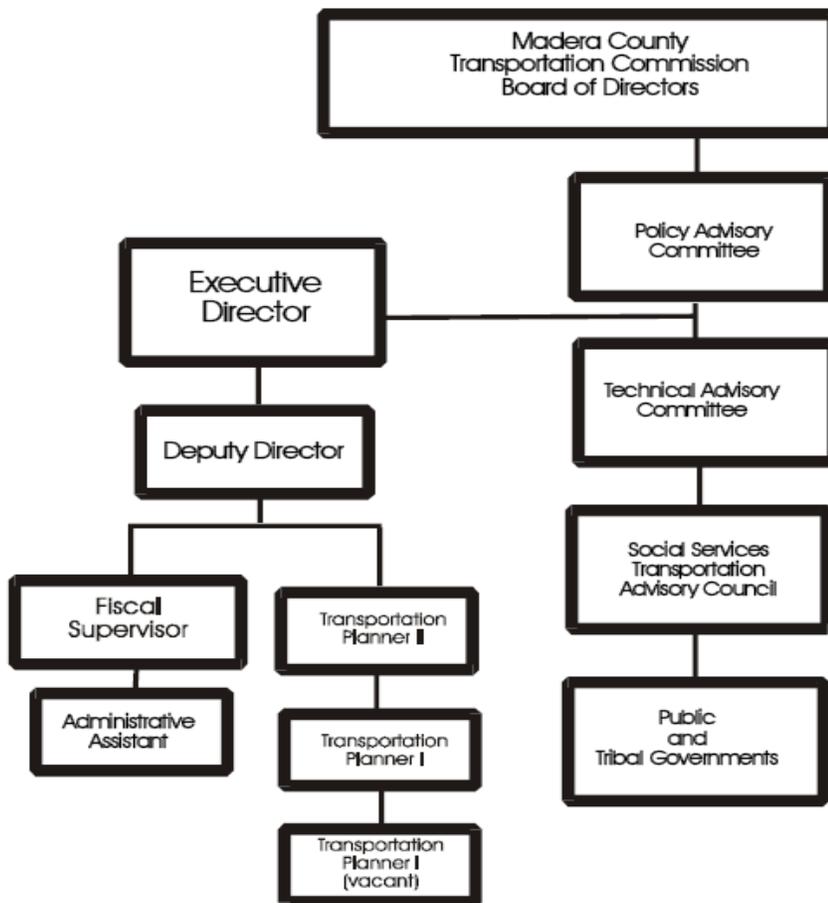
Social Services Transportation Advisory Council (SSTAC): The SSTAC is the MCTC's only standing committee statutorily (PUC 99238) created to serve a broad representation of youth, students, elderly, disabled persons, persons of limited means, social service agencies, the transit dependent, and transit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

MCTC has the option of creating special purpose committees as the need arises. The one existing committee that meets on an as-needed basis is the Measure "T" Citizens' Oversight Committee, which oversees the Measure "T" Annual Work Program and budget.

Measure T Citizens Oversight Committee

This committee was formed pursuant to the passage and implementation of the Measure T ½ cent transportation sales tax measure approved by Madera County voters in November 2006. The committee is comprised of 7 members that include 2 at-large members and 5 members chosen from each supervisorial district in the County selected by the Madera County Transportation Authority. The body provides public oversight to ensure that Measure’s program of projects and expenditure plan are being implemented as promised. The committee generally convenes once annually with additional meetings scheduled as needed.

An organization chart of MCTC and its committees, drawn from the FY 2011-12 Overall Work Program, is shown in the following figure.



Transit Operators

MCTC approves TDA fund claims for and monitors public transportation systems in the county. Each of the transit services in MCTC’s jurisdiction is currently operated on a contract basis by the sponsoring local public agency. Public transportation in Madera County consists of four

public systems plus a lifeline service to seniors in remote areas of the County. Each service is described in brief detail below:

Madera Area Express (MAX): MAX is a fixed-route service operating within the city limits of Madera comprised of two routes. Route 1 provides 35 to 70 minute headways primarily in the eastern and northern areas of Madera. Route 2 provides 70 minute headways and serves the southern and western areas of the city. Service operates weekdays from 7:00 a.m. to 6:30 p.m. and Saturday from 9:00 a.m. to 4:00 p.m. The system utilizes three lift-equipped vehicles and transports over 120,000 riders annually. MAX is administered by the City of Madera and is operated by a private contractor, First Transit.

Madera Dial-a-Ride (DAR): Madera DAR is a combined general-public/demand-responsive service operating in the Madera Urbanized Area. DAR provides curb-to-curb service with priority given to disabled riders under the Americans with Disabilities Act (ADA). This complementary paratransit service is offered during the same days and hours as the MAX fixed-route service with additional service provided on Sundays from 8:30 a.m. to 2:30 p.m. DAR is comprised of two fare zones that encompass the Madera Urbanized Area and is operated with seven vehicles under the same contractor as the MAX service.

Chowchilla Area Transit Express (CATX): CATX is a combined general-public/demand-responsive service operating within the city as well as contiguous unincorporated areas including the community of Fairmead. Service operates weekdays from 8:00 a.m. to 3:30 p.m. utilizing a fleet of two vehicles. CATX is administered and operated by City through the Parks and Recreation Department.

Madera County Connection (MCC): MCC is a general-public, inter-city fixed-route system originally initiated as a demonstration service in 2001 to provide transport for children and their families to and from the Children’s Hospital Central California. MCC provides countywide service to the communities of Madera, Chowchilla, Fairmead, La Vina, Ripperdan, Eastin Arcola, Madera Ranchos, Coarsegold, Oakhurst, and North Fork. The service operates weekdays from 6:00 a.m. to 8:00 p.m.

Eastern Madera County Senior Bus & Escort Program: The Senior Bus provides demand response service to seniors age 60 and older as well as disabled persons residing in the foothill communities of Ahwahnee, Bass Lake, Coarsegold, North Fork, and Oakhurst located in eastern Madera County. The service operates weekdays (except holidays) from 8:00 a.m. to 5:00 p.m.

The Escort Program is a general public demand response service that operates with one van used by a volunteer driver for medical-related appointments in Madera and Fresno Counties. It serves Eastern Madera County general public residents with an emphasis on serving senior residents 60 years and older and the disabled. Service is provided on Tuesday and Thursday from 8:00 a.m. to 5:00 p.m. The van driver is provided a stipend of \$10.00 per day. Madera County contracts with the Community Action Partnership of Madera County to operate this service.

Audit Methodology

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

Document Review: PMC conducted an extensive review of documents including various MCTC files and internal reports, committee agendas and public documents.

Interviews: PMC interviewed MCTC staff and members of the Board, TPC, TAC and SSTAC, as well as the transit operators to gain their perspective about the agency's efficiency and economy.

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

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

- Compliance with State TDA Requirements, and
- Organizational Management and Efficiency.

The remainder of this report is divided into four chapters. In Chapter II, PMC provides a review of the compliance requirements of the TDA administrative process. Chapter III describes MCTC's responses to the recommendations provided in the previous performance audit. In Chapter IV, PMC provides a detailed review of MCTC's functions, while Chapter V summarizes our findings and recommendations. An appendix to the audit report includes a sample TDA claim standard assurances form.

Section II

RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* September 2008, which was developed by Caltrans to assess MCTC's conformance with the TDA. Our findings concerning MCTC's compliance with State legislative requirements are summarized in Table II-1.

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>MCTC accounts for its claimants' areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area.</p> <p>MCTC utilizes a formula based on annual California Department of Finance population estimates to determine each local jurisdiction's apportionments.</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	MCTC provides guidance on its TDA Claims form for the submission of claims for pedestrian and bicycle projects. Through an annual apportionment process based upon each agency's proportionate share of Madera County population per Department of Finance estimates, each member agency is provided with the amount of Article 3 bicycle

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>and pedestrian funds that can be claimed.</p> <p>Claims are approved by the councils and boards of the member jurisdictions as well as the MCTC Board of Directors. Items to be filed include an application for Article 8 Funds along with a resolution from each jurisdiction.</p> <p>Conclusion: Complied</p>
<p>The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>The SSTAC meets annually and participates on a number of issues, including the annual unmet transit needs process and hearings, and coordination of specialized transportation services. The MCTC Unmet Transit Needs Public Hearing is scheduled in the spring at MCTC offices in Madera.</p> <p>Conclusion: Complied</p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction.</p>	<p>Public Utilities Code, Section 99244</p>	<p>Transit performance data are collected and analyzed on behalf of MCTC through an independent transit consultant from the transit operators on a regular basis to provide historic comparison and trend analysis.</p>

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation. 		<p>A series of seven performance measures identified in the Madera County Short Range Transit Development Plan (SRTDP), adopted in December 2009, is used to evaluate public transit operations and how successful they are at meeting accepted performance standards.</p> <p>MCTC has not established a separate committee for the purpose of providing advice on productivity improvements (e.g. transit operators committee); however the SSTAC does fulfill that function.</p> <p>Conclusion: Complied</p>
<p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	<p>Public Utilities Code, Section 99245</p>	<p>MCTC maintains record that all TDA claimants submit an annual certified fiscal and compliance audit. However, many of the fiscal audits were submitted well past the time extension allowed by state law. The following fiscal audits were completed:</p> <p>City of Chowchilla – FY 2009 (Dedekian, George, Small & Markarian) was completed July 15, 2010. FY 2010 (Price, Paige & Company) was completed September 11,</p>

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>2011. FY 2011 – pending completion as of this finding.</p> <p>City of Madera/MCC – FY 2009 (Dedekian, George, Small & Markarian) was completed July 20, 2010. FY 2010 (Price, Paige & Company) was completed November 9, 2011. FY 2011 – pending completion as of this finding.</p> <p>County of Madera – FY 2009 (Dedekian, George, Small & Markarian) was completed January 12, 2011. FY 2010 (Price, Paige & Company) was completed January 12, 2012. FY 2011 – pending completion as of this finding.</p> <p>Conclusion: Partial Compliance</p>
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the</p>	<p>Public Utilities Code, Sections 99246 and 99248</p>	<p>For the current three year period, MCTC has retained an independent entity, PMC, to conduct the audit of MCTC.</p> <p>An independent entity was retained to conduct the previous audit for the three fiscal years that ended June 30, 2008.</p> <p>Conclusion: Complied</p>

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
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)	MCTC submitted the completed its triennial performance audit to Caltrans. A cover letter accompanying the audits was not located to verify the date of submittal. However, a check with Caltrans TDA staff confirmed receipt of the audit report in January 2009. Conclusion: Complied. MCTC should ensure that a cover letter accompanying the MCTC performance audit to Caltrans explains that performance audits of transit operators are not conducted because of their status as Article 8 funded services.
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	Public Utilities Code, Section 99246(d)	Madera County transit operators claim LTF allocations under Article 8; therefore, no performance audit has been conducted of the transit operators within the county.

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.		Conclusion: Not Applicable
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Public Utilities Code, Sections 99270.1 and 99270.2	The transit service in Madera County encompasses both rural and urbanized areas. Farebox recovery ratios established for each operator reflect the areas of the County served. The Madera County Short Range Transit Development Plan (SRTDP), adopted in December 2009, lists the farebox recovery standards for both urban demand response and fixed route services in the key performance standards matrix. Conclusion: Complied

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.</p>	<p>Public Utilities Code, Section 99275.5</p>	<p>There are currently no Article 4.5 claimants for funds in Madera County.</p> <p>Conclusion: Not Applicable</p>
<p>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</p>	<p>Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116</p>	<p>MCTC allocates State Transit Assistance Funds (STA) for transit operations and transit planning only pursuant to State statutes.</p> <p>Conclusion: Complied</p>
<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.</p>	<p>Public Utilities Code, Section 99314.3</p>	<p>STA funds under this section are allocated to fund all eligible transit services as well as provide matching funds for FTA federal formula grants towards operations and capital.</p> <p>Conclusion: Complied</p>
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation 	<p>Public Utilities Code, Section 99401.5</p>	<p>MCTC conducts the annual unmet transit needs process and hearing in consultation with the SSTAC. One of the primary responsibilities of the SSTAC is to advise MCTC on existing public transportation needs.</p> <p>The definitions of “unmet transit needs” and</p>

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238;</p> <ul style="list-style-type: none"> • 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; • 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 		<p>"reasonable to meet" are reaffirmed in the report and findings of the unmet needs process are adopted through Board resolution. Evidence of published advertisement of the hearings in each jurisdiction is also provided in the report.</p> <p>LTF funds have only been allocated to streets and roads after completion of the unmet needs process.</p> <p>Conclusion: Complied</p>

TABLE II-1 MCTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>needs that are reasonable to meet.</p> <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 commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p>	<p>California Administrative Code, Section 6662</p>	<p>MCTC has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. For FY 2008-09, MCTC retained the firm of Dedekian, George, Small & Makarian. For FY 2009-10, MCTC retained the firm of Price, Paige & Company. The FY 2010-11 fiscal audit was still pending as of this finding.</p> <p>The completion dates were:</p> <p>FY 2009: April 20, 2010 FY 2010: September 10, 2011 FY 2011: Pending Completion</p> <p>MCTC also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p> <p>Conclusion: Partial Compliance</p>

Findings from RTPA Compliance Requirements Matrix

MCTC has satisfactorily complied with most State legislative mandates for Regional Transportation Planning Agencies, with the exception of two mandates that were not applicable to the Commission. Those compliance mandates involve the adoption of criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services and the performance audit of transit operators under MCTC's jurisdiction. There are no Article 4.5 claimants in Madera County to warrant such compliance.

The only exception pertains to the timely submittal of the annual fiscal and compliance audits by the TDA claimants. Pursuant to the Public Utilities Code, Section 99245, the claimants are required to submit annual fiscal and compliance audits to MCTC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension by MCTC as allowed by law. Most fiscal audits were submitted past the time extension and MCTC has followed state law by withholding funding until the fiscal audits were submitted.

Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes the MCTC's response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation is described followed by a discussion of MCTC'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

Ensure a Triennial Performance Audit is completed according to TDA guidelines every three years and submitted to the California Department of Transportation.

Actions taken by MCTC:

This recommendation was prompted by a compliance exception made by the previous auditor, which found that MCTC did not complete the required Triennial Performance Audit for the period covering FY 2002-03, FY 2003-04 and FY 2004-05. An Audit was commissioned and completed for the subsequent triennial period covering FY 2005-06, FY 2006-07 and FY 2007-08. In September 2011, MCTC released a Request for Proposals to have a Triennial Performance Audit conducted of the agency covering FY 2008-09, FY 2009-10 and FY 2010-11. The Commission commissioned PMC to conduct the Audit for the latest triennial period.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 2

Ensure any issues related to the preparation and submission of annual fiscal audits is resolved and future audits are submitted as required.

Actions taken by MCTC:

This recommendation was prompted by a compliance exception made by the previous auditor, which found that the annual fiscal audit for FY 2006-07 had yet to be submitted. Staff indicated that the fiscal audit would be submitted in January 2009. MCTC's fiscal supervisor confirmed that the FY 2006-07 fiscal audit was issued January 26, 2009. However, annual fiscal audits for subsequent years continue to be submitted beyond the 90 day extension allowed as shown in the previous compliance section.

Conclusion:

This recommendation has been partially implemented.

Prior Recommendation 3

Adopt a comprehensive set of goals and objectives governing MCTC's internal procedures and operations.

Actions taken by MCTC:

The Commission has taken concrete steps in adopting a comprehensive set of goals and objectives that address internal procedures and operations. In January 2011, MCTC adopted an Accounting & Financial Policies and Procedures Manual. The primary purpose of the manual is to provide overall guidance, formalize accounting policies and selected procedures, and provide written policies to ensure that the Commission complies with financial management standards. The manual describes the role of the Commission Board of Directors, Policy Advisory Committee, Technical Advisory Committee, Executive Director and staff. In addition, it addresses ethical practices, conflicts of interests and suspected misconduct.

Other documents that guide the Commission's internal procedures and operations include the Employee Manual, adopted in July 1994 and updated in June 1999 as well as the annual Overall Work Program (OWP).

Conclusion:

This recommendation has been implemented.

Section IV

Detailed Review of MCTC Functions

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

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

Administration, Management and Coordination

This section discusses the overall administration of MCTC's functions, which include general administration, internal planning and achievements, Overall Work Program, personnel management, and interviews with Board and SSTAC members.

General Administration

MCTC is staffed by six employees comprised of an Executive Director, Deputy Director, Fiscal Supervisor, two Transportation Planners and an Administrative Assistant. The current Executive Director has been with MCTC a total 18 years, including 12 years as director. The Fiscal Supervisor position was created during the audit period. The senior of the two Transportation Planners resigned in January 2012 and had been with MCTC for five years. MCTC posted an employment announcement to fill the position at either the Transportation Planner I or II level. MCTC is seeking a candidate with a high aptitude for research, writing and computer literacy. The remaining transportation planner on staff joined MCTC in November 2009 and is responsible for the Unmet Transit Needs process, public transit monitoring and modeling.

MCTC has an agreement with the County of Madera for the County to provide certain professional and technical services to the Commission. Under this agreement dated October 1993, the County provides MCTC with Auditor/Controller services as they pertain to LTF account fund estimates, balances and disbursements as well as legal counsel services.

Some of the challenges facing MCTC staff include work load fluctuations, recent staffing changes, audit and budgetary preparations, interagency coordination and pending federal legislation that would change the composition of MPOs. The proposed surface transportation reauthorization bill, Moving Ahead for Progress in the 21st Century (MAP-21), would raise the designation for MPOs from 50,000 to 200,000 in population. Instead of preserving the existence of long-established smaller MPOs, MAP-21 would require that MPOs such as MCTC receive approval from the U.S. Secretary of Transportation that they possess the technical capacity to complete the planning requirements.

Internal Planning & Achievements

MCTC has demonstrated success in the delivery of vital infrastructure projects in Madera County as well as progress toward updating its accounting system with increased oversight and improved financial management procedures. Other notable achievements include updates to the Regional Transportation Plan (RTP) and the Regional Transportation Improvement Program (RTIP), Short Range Transit Development Plan, San Joaquin Valley Blueprint and other interregional coordination, Unmet Transit Needs, and greenhouse gas emissions reduction planning.

Under the auspices of the Madera County Transportation Authority (MCTA), two bonds were issued against anticipated Measure T sales tax revenues to expedite delivery of projects programmed in the Measure T Investment Plan and Annual Work Program. This allowed for construction to proceed such as the Ellis Avenue/SR-99 overcrossing, right-of-way acquisition for the 4th Street widening project in Madera and interchange improvements at SR-99 and SR-145 adjacent to Madera Community Hospital.

MCTC underwent an audit of its annual Indirect Cost Allocation Plan (ICAP) by Caltrans for FY 2009-10. MCTC was designated as being a “high risk entity” in FY 2007-08 by Caltrans. Indirect costs are costs an organization incurs for common or joint objectives that cannot be readily and specifically identified with a particular grant program or other institutional activity. MCTC proposed an indirect cost rate of 77.88 percent of total direct salaries and wages plus fringe benefits. The primary reason for an ICAP is to document the recovery of overhead costs for grant funded programs. An ICAP documents costs associated with agency operations and services, and serves as the most equitable basis available for distribution of those indirect costs across various grant programs during fiscal year. Typical indirect costs include the costs of operating and maintaining facilities, equipment, and grounds; depreciation or use allowances; and administrative salaries and supplies.

In response to the ICAP audit, MCTC has taken concrete steps in adopting a comprehensive set of goals and objectives that address internal procedures, operations and fiscal controls. In January 2011, MCTC adopted an Accounting & Financial Policies and Procedures Manual. The primary purpose of the manual is to provide overall guidance, formalize accounting policies and selected procedures, and provide written policies to ensure that the Commission complies with

financial management standards. The manual describes the role of the Commission Board of Directors, Policy Advisory Committee, Technical Advisory Committee, Executive Director and staff. In addition, it addresses ethical practices, conflicts of interests and suspected misconduct.

Overall Work Program

The Overall Work Program (OWP) serves as MCTC's annual budget and program guide. The OWP identifies the specific work elements that MCTC will undertake for the coming fiscal year. Most of the work elements in the OWP address MCTC's state and federal planning requirements and the document is subject to federal and state guidance. Other work elements are also included in the OWP to address and resolve local transportation planning issues and priorities, including the Measure T Expenditure Program.

The "preamble" to the OWP provides an overview of MCTC that encompasses organization and management, comprehensive planning process, transportation planning issues and planning emphasis areas. Most of the work elements addressed in MCTC's annual OWP have been fairly consistent during the audit period. Beginning with the FY 2009-10 OWP, the MCTC Administration (900) work element was eliminated. This particular element provided for the management of work activities provided in the OWP, which included monthly Commission and advisory committee meeting, coordination of fiscal and performance audits, and budget control and personnel administration. The tasks previously programmed under this element have been distributed amongst the other work elements.

In terms of cross-training and succession planning, staff participates in the development of all elements of the work program. At least two staff are familiar with and understand each activity. The OWP is developed by reviewing the previous year's document, which involves a staff review of the specific work elements that they are involved with. Each work element contains a summary of tasks that were accomplished during the prior year as well as the list of work products and tasks planned for the current OWP year. Each task includes a work schedule and a cost percentage of the total element that the task represents. Either a date is shown when the task is anticipated to be completed, or the task is shown as being continuous. However, there are no indications in the OWP of the level of staff effort projected to complete the work elements as expressed in staff hours, days, months or Full-time Equivalent (FTE) units. It is recommended that staff time be estimated for each work task that correlates with the agency budget.

Personnel Management

Personnel management is undertaken by several staff members including the Executive Director, Deputy Director and Administrative Assistant. MCTC conducts annual employee evaluations on the anniversary of hire. Evaluations serve as a tool to set goals and review skills sets. MCTC adheres to the policy of at-will employment; therefore, there is no probationary employment status. Reviews may be as often as is warranted by the job situation and the employee's performance. The supervisor determines if a merit increase is warranted at the time

of the performance review. It is MCTC policy to reward employees with merit increases in salary for dedication in their work, extra effort, and above average performance. Management does not award merit increases on an automatic basis or at any preset interval. Merit increase recommendations must be approved by the Executive Director.

The MCTC Employee Manual was released in July 1994 and last updated in June 1999. The Employee Manual includes sections on employment policy, compensation/work schedules, employee benefits, employee expenses, and miscellaneous office policies. MCTC provides health, dental and optical insurance plans. Medical coverage is offered through Blue Shield and dental coverage is offered through Guardian. Health insurance plan options change annually. Life insurance coverage in the amount of \$15,000 is provided for each employee.

Regular full-time employees with up to five years of service accrue up to 96 hours of annual vacation leave to a maximum of 240 hours. Those employees with between 5 and 10 years of service accrue up to 120 hours and those with between 10 and 15 years of service accrue 144 hours of annual leave. Employees with between 15 and 20 years of service accrue 240 hours of annual leave up to a maximum of 320 hours and employee with more than 20 years of service accrue 294 hours with a maximum accrual of 360 hours. In addition, employees accrue 8 hours sick per calendar month with no maximum limit. An employee hired between the 1st and 15th of the month will earn the sick leave for that month, those hired after the 15th will not earn sick leave until after the 15th of the following month.

MCTC offers two types of retirement benefit programs administered by the International City Managers Association Retirement Corporation (ICMA). The first one is a qualified Section 401(a) Plan, which is an employer-defined contribution plan. The Commission makes a tax deferred contribution of 15 percent of an employee's gross salary to the plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees, though, may obtain loans from the 401(a) plan secured by their individual contributions and accumulated earnings. The other retirement program is a 457 Deferred Compensation Plan. Employees make a minimum tax deferred contribution of 7.5 percent to the 457 plan. Employees can elect to increase their contribution to the maximum percentage allowed under federal law.

MCTC observes the following holidays: New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving, Day after Thanksgiving, and Christmas. Each employee is allowed four hours of personal leave per calendar year in lieu of the 1/2 day Good Friday Holiday. This leave is not accrued beyond the calendar year.

Interviews with Board and SSTAC Members

MCTC Board members interviewed expressed confidence in the abilities and background of MCTC staff. They report having a strong personal working relationship with both the staff and each other. One Board member noted that the Executive Director is a good moderator with the

Deputy Director providing a good balance. In regard to logistics, agendas are forwarded one week prior to the scheduled Board meetings. Transit hearings are scheduled during the evening hours to better meet the schedules of the working public. Overall, MCTC has done a good job in identifying needs with a staff that is seasoned, veteran and competent.

The Social Services Transportation Advisory Council (SSTAC) reviews public transportation needs, especially services for the elderly, persons with disabilities, and those on limited means. The SSTAC reviews testimony during the annual Unmet Transit Needs process and recommends action to the MCTC Board that (a) there are no unmet transit needs, (b) there are no unmet transit needs that are reasonable to meet, or (c) there are unmet transit needs, including needs that are reasonable to meet. The SSTAC is comprised of nine members representing the following stakeholder categories:

- Potential Transit User 60 Years or Older (minimum of 1);
- Representatives of the Local Social Service Providers for Seniors (minimum of 2);
- Potential Transit User Who is Disabled (minimum of 1);
- Representative of the Local Social Service Provider for Disabled (minimum of 2);
- Representative of a Local Social Service Provider for Persons of Limited Means (minimum of 1); and
- Representatives from the Local Consolidated Transportation Service Agency (minimum of 2).

The SSTAC also serves as the Productivity Improvement Committee. All stakeholder categories have been filled with terms set to expire in June 2013.

SSTAC members interviewed reported that the Unmet Transit Needs process appears to be viable with expanded representation and good outreach. Meetings are very well organized, structure and reliable. Staff was reported to be very responsive to requests, which are forwarded to the transit operators for review and comment. One SSTAC member noted that MCTC has adopted a broader perspective with regard to land use and transportation linkages and the consideration of transit and emission control measures.

Transportation Planning and Regional Coordination

This functional area addresses planning functions required of MCTC, including development of the Regional Transportation Plan, Transportation Improvement Program, and transit planning including performance monitoring and the short-range transit planning process. Additional transportation programs administered by the agency are also discussed.

Regional Transportation Plan

The Regional Transportation Plan (RTP) is MCTC's long-range planning document that guides the development of transportation in Madera County over a 25-year horizon. The RTP demonstrates how Madera County will better maintain, operate, and expand its transportation system in a financially constrained manner. The document is updated every four years and is required by state and federal law. It also serves to expedite project approval and prioritization.

The most current RTP was prepared and adopted in July 2010. The goals contained in the 2011 RTP aim to promote the development of a coordinated multimodal transportation system integrated with land resource management strategies and air quality goals. Thus, the RTP encompasses the growth scenarios projected in the Land Use Elements of the General Plans for the Cities of Chowchilla and Madera and the County. The RTP update is seen as a transitional document that will address greenhouse gas emissions and other air emissions. In addition, it will serve as a stepping stone to the subsequent 2015 RTP that will incorporate sustainability mandates pursuant to Senate Bill (SB) 375.

The RTP Update features eight chapters: Executive Summary; Regional Setting & Planning Assumptions; Policy Element; Action Element; Financial Element; Blueprint Planning; Environmental Considerations & Environmental Justice; and a Performance Monitoring Program. The key Transportation Demand Measure (TDM) programs are voluntary ridesharing, Park and Ride facilities program and alternative fuels. In addition, appendices include an RTP checklist, resolution, performance measures, level of service methodologies, and responses to comments.

The 2011 RTP public participation process involved a series of workshops held in Chowchilla, Madera, and Oakhurst as part of an extensive outreach campaign that included newspaper advertisements, email blasts and a notice on the MCTC Web site. Workshops were held between 6:00 p.m. and 8:30 p.m. to encourage ample attendance by the public.

Transportation Improvement Program

MCTC is responsible for preparing both the Federal Transportation Improvement Program (FTIP) and Regional Transportation Improvement Program (RTIP) for Madera County projects that have been approved for federal and state funding. The FTIP is a listing of all federally funded and regionally significant projects spanning a four-year period updated every two years during even numbered years to demonstrate consistency with the Regional Transportation Plan (RTP). This document is also used to make a finding of air quality conformity with the applicable State Implementation Plan (SIP) before any federal funds may be expended on transportation projects.

MCTC prepares amendments as needed and works with state agencies, other regional agencies, and local agencies to coordinate implementation of the RTP through the FTIP. Federal

regulations require that all projects funded with federal funds and regionally significant projects (state or locally funded projects) be included in an FTIP in order to receive the funds.

The development of the RTIP is guided by principles established by SB 45, which provides for mainly local control over the programming of projects for state and federal funding. The plan is financially constrained, meaning that only those projects with expected available funding could be included. The RTIP is updated every two years covering a five year planning horizon and submitted to the California Transportation Commission (CTC). The 2008 RTIP covers FY 2008-09 through FY 2012-13. The 2012 RTIP was finalized in November 2011 and covers FY 2012-13 through FY 2016-17.

Federal fund sources that MCTC allocates include Congestion Mitigation and Air Quality (CMAQ), High-Priority Projects Program, Regional Surface Transportation Program (RSTP), and Transportation Enhancement Activities (TEA) funding. State fund sources include the Proposition 1B Bond, SB 821, State Transit Assistance, and State Transportation Improvement Program (STIP) Regional Improvement Program (RIP) funds. Priority projects programmed include the SR-99/SR-145 Interchange Improvements; Ellis Avenue/SR-99 Overcrossing Construction; SR-99/Avenue 12 Interchange Improvements; SR-41 Passing Lanes; and SR-99 Widening between Avenues 7 and 12.

Madera County Short Range Transit Development Plan

The Short Range Transit Development Plan (SRTDP) was adopted by MCTC in December 2009. The SRTDP has a five-year planning horizon spanning FY 2009-10 to FY 2013-14 and was developed by MCTC staff. There are 10 sections that address the transit goals, performance measures, needs, financial projections and marketing of the five public transit systems and programs operating in Madera County. This SRTDP responds to state, federal and local requirements to ensure public transit services are effective in meeting the needs within the region and is intended to serve as a guide for improving public transit agencies within Madera County. The four primary objectives of the SRTDP are to:

1. Assess the efficiency and effectiveness of existing transit services throughout Madera County;
2. Develop cost-effective recommendations and a five-year service plan to improved transit services based upon rider and community input;
3. Provide marketing and outreach strategies to promote services based on an understanding of the needs of current and potential riders; and
4. Develop financially feasible capital and operating plans that support the five-year service plan and that address existing and future transit needs in Madera County.

The SRTDP key performance standards matrix provides a benchmark for all transit services operating in Madera County to attain. The system accessibility standard for fixed route services

is for 85 percent of the urban population to be within ¼ mile of a bus route with an on-time performance standard of 95 percent of all trips. The maximum wait time for demand response is no more than 40 minutes out of average wait time of 30 minutes. The goal is for 80 percent of all demand response pick ups to occur within a 15 minute window of the scheduled time.

TDA Claimant Relationships and Oversight

As the designated County Transportation Commission, MCTC is responsible for the administration of the TDA program. This functional area addresses the MCTC’s interaction with the transit operators in Madera County and its administration of the provisions of the TDA. The sub-functions described include administration of the program, provision of technical and managerial assistance to operators, transit coordination, TDA claims processing, and the conduct of the unmet transit needs process.

MCTC Administration and Planning

The uses of TDA revenues apportioned to Madera County flow through a priority process prescribed in state law. The LTF allocations are distributed to the jurisdictions based on the latest population figures from the California Department of Finance. In order of priority, LTF funds are allocated as follows:

- TDA Fund Administration (2 to 3 percent of total LTF)
- Regional transportation planning (3 percent)
- Bicycle and pedestrian facilities (2 percent)
- Public transit (Article 8)
- Streets and roads (Article 8)

Prior to apportionment of funds to the Bicycle and Pedestrian Facilities Program and the transit operators, MCTC is able to claim TDA revenues for administration of the fund and for regional transportation planning and programming purposes. During the audit fiscal years of 2009 through 2011, MCTC claimed the amounts shown in Table IV-1 below.

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

Fiscal Year	LTF Claim *
2008-2009	\$174,857
2009-2010	\$178,936
2010-2011	\$143,910

* excludes LTF carryover and reserves from prior years.

Source: OWP, TDA Allocation Resolutions

Technical and Managerial Assistance to Operators

Many of MCTC’s public transit planning and coordination efforts are handled by a Fresno-based consultant. This consultant provides TDA claims assistance, performance monitoring and route-planning guidance to the county’s transit operators. One tool that could be useful for both MCTC and its claimants would be a TDA guidebook. During the interview with MCTC’s transit consultant, it was noted that TDA procedures need to be formalized in written form for both the benefit of staff and claimants.

TDA Claim Processing

On an annual basis during this audit period, MCTC was responsible for managing the apportionment of between \$2.5 and \$3.1 million in Local Transportation Fund revenues and between \$300,000 and \$795,000 in State Transit Assistance funds (annual financial audit and State Controller figures).

**Table IV-2
Total TDA Funding Allocation**

Fiscal Year	Local Transportation Fund (LTF)	State Transit Assistance (STA)	Total
2009	\$3,265,701	\$303,503	\$3,569,204
2010	\$3,389,999	\$0	\$3,389,999
2011	\$2,533,650	\$795,582	\$3,329,232

Source: STA and LTF audited financial statements for MCTC, FY 2009-FY 2010; FY 2011 LTF/STA Resolution

MCTC prepares and distributes several documents during the TDA claims process. The documents include the initial and final estimates of apportionment to each jurisdiction and a packet providing claimants with the necessary forms and funding information needed to prepare TDA claims. Initial revenue projections are provided by the County in January, with final revenue estimates provided in early May.

During the audit period in FY 2010-11, MCTC assumed responsibility over the accounting portion of the claim process. Prior to this change, the Madera County Auditor handled the TDA accounts, which involved tracking balances. MCTC’s Fiscal Supervisor cited a preference for having control over TDA accounting in order to keep track of claimant payments and interest postings. The Administrative Assistant reviews the initial claim forms as they are received for processing. The County Auditor’s role is only to process and forward TDA payment to the claimants in addition to providing the annual Local Transportation Fund estimate.

The TDA claims are generally adopted by each jurisdiction and the Commission in mid-summer to early fall. The claims are prepared by the cities and County, and are adopted by each claimant’s governing board or council. MCTC requires that claim amendments be taken before the claimants’ respective Board (Board of Supervisors for the County and City Council for the incorporated cities) as part of the public process. It was indicated that the County has generally

been late with its claim submittal and the City of Chowchilla was three years late with the submittal of its claims.

As a priority, about one-quarter of the annual transit claims are paid first to the transit operators before revenues for streets and roads are paid to the local jurisdictions. Both State Transit Assistance funds and Local Transportation Fund revenues are claimed under the same funding form and comply with procedures and formulas established in the TDA statute. Each claimant also prepares a contingency claim for any surplus funds from the prior year, which are distributed for both transit and street and road purposes. Given the claims process implemented by the Commission, each jurisdiction receives its fair share of TDA revenues up front, based primarily on population.

As a general rule, operator claims must include supplemental information of a number of TDA requirements, including attachment of specific documentation such as the budget, prior year revenues and expenditures, CHP terminal inspection certification, and transit efficiency calculation if the operator chooses to use STA monies for operations.¹ However, the transit operator claims submitted for review lack this supplemental documentation, including a standard assurances form.

The purpose of the standard assurances form allows each operator to certify that all conformance requirements are satisfied to receive both LTF and STA funds. Examples are the timely conduct of the annual state controller and fiscal audits, and full use of available federal funding. The attachment of CHP compliance certificates to the claim is another example of a standard assurance that RTPA should require. The purpose of the list is to hold the operators accountable for compliance with certain TDA provisions to be able to receive the funds and as an annual reminder.

Unmet Transit Needs

Unmet transit needs hearings are required by the TDA where claims can be made for streets and roads. MCTC conducts the annual unmet transit needs process for Madera County to allow the rural and urban transit operators to plan for future services. The Unmet Transit Needs hearings are held in the board room at MCTC's offices in Madera.

Staff prepares a report and discussion of the unmet needs process and a resolution approving the annual unmet transit needs findings. Recommended findings by the SSTAC are included in the staff report. Each year, MCTC reaffirms the adopted definition of unmet transit needs and reasonable to meet.

MCTC has determined that unmet transit needs "includes all essential trip requests by transit-dependent persons for which there is no other convenient means of transportation." In

¹ The transit efficiency calculation required under PUC 99314.5 to use STA revenue for operations is temporarily suspended until FY 2012-2013.

addition, the Commission has expressed that reasonable to meet should be applicable to all related public or specialized transportation services that:

- 1) Are feasible;
- 2) Have community acceptance;
- 3) Serve a significant number of the population;
- 4) Are economical; and
- 5) Can demonstrate cost effectiveness by having a ratio of fare revenues to operating cost at least equal to 10 percent.

The “reasonable to meet” definition also encompasses all service requests which do not abuse or obscure the intent of such transportation services once they are established. Unmet transit needs resolutions adopted during the audit period found that there were no unmet transit needs that are reasonable to meet.

The unmet transit needs process is promoted extensively to ensure ample participation and comment from the public. Notices of Public Hearing are publicized in local daily and weekly newspapers such as the Madera Tribune, Madera Star and the Sierra Star. Flyers and placards printed in English and Spanish are distributed throughout the county including transit operators and the Madera Intermodal Center. MCTC also maintains a mailing list of 200 individuals. Attendance at the public hearing averages between 15 and 25 people with about 90 percent of the public comments coming from City of Madera residents. A Spanish language interpreter is also provided at the meetings. As the public hearing is typically held in the afternoon during a Board meeting, MCTC is investigating holding a separate public hearing in the evening to garner additional input.

Public Information and External Affairs

As part of its public information and marketing efforts, MCTC utilizes a number of approaches that involve more focused strategies around specific projects. There is a greater emphasis on electronic media than on print publications and collateral. MCTC’s principal electronic portal continues to be its Web site (<http://maderctc.org>).

The MCTC Web site contains an extensive array of information and documentation. The Web Site menu located on the left-hand margin of the home page lists 12 categories including links to MCTC staff, publications, public transportation services, Request for Proposals (RFPs), and the Measure T program. The home page provides an overview of MCTC’s roles and responsible as well as the latest developments, employment and contracting opportunities and documents. The San Joaquin Valley Blueprint and the Measure T program are featured prominently on the home page.

MCTC extends outreach of its work efforts to the two Native American tribes located in Madera County (North Fork Rancheria of Mono Indians, and Picayune Rancheria of the Chukchansi Indians). The tribes had previously attended and participated in TAC meetings.

MCTC's Public Participation Plan (PPP), adopted in May 2007, is intended to provide direction for public participation activities to be conducted by MCTC and contains the procedures, strategies, and techniques used by the Commission for public participation. The PPP sections address the regulatory setting pursuant to federal and state statutes, meeting notification and protocol, publications, evaluation and monitoring efforts and committees.

MCTC produces and publishes a regular newsletter, "Go Madera" that is distributed to stakeholders, elected and public officials, and members at large. Both printed and electronic copies are available, with the electronic copies either sent directly to a subscriber's email address or downloaded from the website. Those who wish to be added to the mailing list are encouraged to contact MCTC staff or visit the Web site and subscribe online. A check of the MCTC Web site revealed that the latest copy of newsletter is dated spring 2007. It is not certain whether subsequent issues of the newsletter have been published.

With regard to social media and networking sites, such as Facebook and Twitter, MCTC has yet to make inroads into this marketing arena. Social media are both time-sensitive and labor-intensive, which may require frequent monitoring and updating. Current staffing levels may not permit such an effort; however, the staff member responsible for updating the MCTC Web Site could be encouraged to explore social media as an outreach tool, particularly during the next RTP update. Nevertheless, MCTC continues to develop and utilize other forms of technology such as Intelligent Transportation Systems (ITS), Google Transit, and the Valleywide 511.org service.

As part of its external affairs outreach, MCTC participates in several collaborative efforts with other RTPAs in the San Joaquin Valley. The most extensive of these efforts has been the San Joaquin Valley Blueprint Planning Process. The Blueprint involves the development of county and regional growth strategies made up of three elements: 1) a 2050 growth scenario diagram that identifies areas of existing development, new development, and future regional transit and highway improvements; 2) a Valleywide average target density of 6.8 units per acre for new residential growth to the year 2050; and 3) a set of 12 Smart Growth Principles.

Another collaborative effort has been the San Joaquin Valley Regional Council. The Regional Council has allowed MCTC and other participating council of governments in the region to speak with one voice to elected officials in Sacramento and Washington D.C. This group furthers the collective strength of the partner agencies to advocate for transportation funding and address other issues of concern to the Valley. MCTC currently holds the vice chairmanship of the Regional Council, which meets on a quarterly basis.

Grant Applications and Management

MCTC serves as the clearinghouse for federal grant applications that are reviewed to determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. The Commission's role for the Madera County region is to review and

be an integral part to state and federal funding assistance that promote inter-jurisdictional coordination. Pursuant to federal law, MCTC is required to publish for public review an annual listing of projects for which federal funds have been obligated in the preceding year as a record of project delivery, as well as a progress report for public information and disclosure.

Beyond serving as a clearinghouse for federal grant applications, MCTC administers various grant programs derived from local, state and federal sources. Operating in the role of the local transportation authority, MCTA administers the Measure T half-cent transportation sales tax measure approved by Madera County voters in November 2006. Two percent of Measure proceeds are allocated to the Transit Enhancement Program, which supports public transit systems in the County.

MCTC assists the transit operators with obtaining federal grants from the FTA by ensuring the programming of resources and projects in the appropriate federal implementation plans. Federal grants have played an important role in funding continued operations and capital replacement of the transit operators. FTA Section 5307 urbanized funds have been used for Madera Area Express and Madera Dial-A-Ride operations. FTA Section 5311 rural transit funds have been procured for transit operating assistance for the Chowchilla and County transit systems. MCTC also assists with administering other federal transit grant programs including FTA Section 5310 (Elderly and Disabled Specialized Transit Program), 5316 (Jobs Access and Reverse Commute) and 5317 (New Freedom).

Congestion Mitigation and Air Quality (CMAQ) program funds have been received and programmed for paving dirt roads, Compressed Natural Gas (CNG) fueling facilities, CNG-powered school buses and construction of a Class 1 bike/pedestrian path.

Funding from the federal American Recovery and Reinvestment Act of 2009 (ARRA) has been tapped by MCTC to expedite the delivery of projects already programmed, obligated or pending certification. To date, \$12.18 million in ARRA funding has been awarded toward transportation projects in Madera County.

Section V

Findings and Recommendations

The following material summarizes the major findings obtained from the Triennial Audit covering FY's 2009 through 2011. A set of recommendations is then provided.

Findings

1. MCTC conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. MCTC has satisfactorily complied with most state legislative mandates for Regional Transportation Planning Agencies. The only exception pertains to the timely completion and submittal of the annual fiscal and compliance audits by the TDA claimants.
3. Of the three prior performance audit recommendations, MCTC has fully implemented two recommendations and partially implemented one recommendation. The Commission is making an effort to ensure the timely submittal of claimants' annual fiscal and compliance audits.
4. MCTC experienced several staffing changes during the audit period. The Fiscal Supervisor position was created during the audit period. The senior of the two Transportation Planners resigned in January 2012. The remaining transportation planner on staff joined MCTC in November 2009 and is responsible for the Unmet Transit Needs process, public transit monitoring and modeling.
5. MCTC has demonstrated success in the delivery of vital infrastructure projects in Madera County as well as progress toward updating its accounting system with increased oversight and improved financial management procedures.
6. Board and committee members have expressed a high confidence in MCTC staff and their competence, knowledge and responsiveness to requests.
7. MCTC underwent an audit of its annual Indirect Cost Allocation Plan (ICAP) by Caltrans for FY 2009-10. MCTC was designated as being a "high risk entity" in FY 2007-08 by Caltrans. MCTC proposed an indirect cost rate of 77.88 percent of total direct salaries and wages plus fringe benefits. The primary reason for an ICAP is to document the recovery of overhead costs for grant funded programs.
8. In response to the ICAP audit, MCTC has taken concrete steps in adopting a comprehensive set of goals and objectives that address internal procedures, operations and fiscal controls.

In January 2011, MCTC achieved a significant accomplishment through adopting an Accounting & Financial Policies and Procedures Manual.

9. The 2011 RTP was prepared during the audit period and adopted in July 2010. The goals contained in the 2011 RTP aim to promote the development of a coordinated multimodal transportation system integrated with land resource management strategies and air quality goals.
10. The Short Range Transit Development Plan (SRTDP) was adopted by MCTC in December 2009. The SRTDP has a five-year planning horizon spanning FY 2009-10 to FY 2013-14 and was developed by MCTC staff. There are 10 sections that address the transit goals, performance measures, needs, financial projections and marketing of the five public transit systems and programs operating in Madera County.
11. During the audit period (FY 2010-11), MCTC assumed responsibility over the accounting portion of the claim process. Prior to this change, the Madera County Auditor handled the TDA accounts, which involved tracking balances. MCTC's Fiscal Supervisor cited a preference for having control over TDA accounting in order to keep track of claimant payments and interest postings. The Administrative Assistant reviews the initial claim forms as they are received for processing.
12. Many of MCTC's public transit planning and coordination efforts are handled by a Fresno-based consultant. This consultant provides TDA claims assistance, performance monitoring and route-planning guidance to the county's transit operators. The consultant recommended that TDA procedures be formalized in written form for both the benefit of staff and claimants.
13. The unmet transit needs process is promoted extensively to ensure ample participation and comment from the public. Notices of Public Hearing are publicized in local daily and weekly newspapers. Flyers and placards printed in English and Spanish are distributed throughout the county including transit operators and the Madera Intermodal Center.
14. As part of its public information and marketing efforts, MCTC utilizes a number of approaches that involve more focused strategies that are project specific. There is a greater emphasis on electronic media than on print publications and collateral. The MCTC Web site contains an extensive array of information and documentation.

Recommendations

1. Conduct assessment of transit dependent and current transit services pursuant to Public Utilities Code (PUC) 99401.5(b).

Pursuant to Public Utilities Code (PUC) 99401.5(b), regional transportation planning agencies are required to perform an annual transit needs assessment to identify the transit needs of the jurisdiction that have been considered as part of the transportation planning process, including the following:

- An assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including but not limited to the elderly and persons with disabilities, including individuals eligible for paratransit and other special transportation services, and persons of limited means, including but not limited to recipients under the CalWORKs program;
- An analysis of the adequacy of existing public transportation and specialized transportation services, including privately and publicly provided services, to implement the plan to meet identified transit demand; and
- An analysis of potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.

Such a transit needs assessment should be performed as an integrated piece of the Unmet Transit Needs process in consultation with the Social Service Transportation Advisory Council (SSTAC) and would serve as a useful tool in evaluating changing transit demand.

2. Enhance TDA application form to include a Standard Assurances list for transit fund claims.

The purpose of the standard assurances form allows each operator to certify that all conformance requirements are satisfied to receive both LTF and STA funds. Examples are the timely conduct of the annual state controller and fiscal audits, and full use of available federal funding. The attachment of CHP compliance certificates to the claim is another example of a standard assurance that MCTC should require verifying participation in the pull notice program. Submittal of these forms by the operators to MCTC is a compliance requirement. For example, should there be instances of unsatisfactory CHP ratings for a variety of violations, MCTC would be aware of these findings and follow up with the operator to maintain compliance.

The appendix to this audit shows a sample Standard Assurances list that could be included as part of the forms submitted by the transit claimants. This list, which would be signed and initialized by the appropriate claimant, serves as an annual reminder of specific TDA

compliance measures. This list could also be included in the TDA procedures manual under consideration by MCTC.

3. Provide estimation of MCTC employee time allocation for Overall Work Program elements.

As the Overall Work Program (OWP) guides MCTC's annual work elements and budget, it is important that the OWP continue to provide transparency and accountability in the agency's activities. As expenditures for each OWP task element and project are currently segregated by percentage breakdowns in the OWP document, it is suggested that MCTC attach an equivalent allocation of staff time (such as in personnel hours/days/months, full-time equivalents, etc.) that expresses staff work efforts on each task. This recommended effort would project staffing times based on task budgeting. This added feature to the OWP provides indication of projected human resource commitment to each project and associated expense, and level of agency effort needed to complete the task.

4. Ensure annual TDA fiscal and compliance audits are submitted on time.

This recommendation is carried over from the previous audit. MCTC was found to be in partial compliance with regard to the timely submittal of annual fiscal and compliance audits during the audit period. Pursuant to Public Utilities Code Section 99245, TDA claimants are required to submit annual fiscal and compliance audits to MCTC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension to MCTC as allowed by law. It is suggested that MCTC's Fiscal Supervisor continue to work closely with the claimants as part of enhanced oversight procedures to ensure that the annual TDA fiscal audits are submitted within the statutory time frame. MCTC has followed state law by withholding funding until the fiscal audits are submitted.

5. Develop resource document for TDA application and claim procedures, and fund allocation.

The summary allocations of TDA funds are primarily documented in MCTC Board resolutions that are approved before the funds are processed. While this approach is noteworthy and should continue in its current form, there should also be a handy resource guide or manual developed by MCTC that describes in detail key facets of the TDA program such as funding eligibility, unmet needs, transit performance measures, and claims process. The resource would provide further clarity as to the linkage between MCTC policies directing TDA, the TDA administrative activities that are conducted by MCTC, and the funding allocations to the local jurisdictions for eligible programs such as bike and pedestrian projects, public transit, and streets and roads.

A set of guidelines could address the following:

- a. How the region annually “apportions” funds among eligible recipients and conditionally approves the fund estimates at the start of each fiscal year.
- b. What are the different categories of TDA funds and their allowable uses.
- c. How to prepare a TDA claim and ensure all reporting requirements are met.
- d. What are eligibility and/or update requirements for claims’ approval by MCTC.
- e. What is the minimum farebox recovery ratio applicable to each transit operator.
- f. How to compute farebox recovery ratios (transit claimants-only) and assess compliance with the minimum required ratio(s).
- g. What are MCTC’s responsibilities in administering the TDA program and how those impact the TDA claim review, approval and schedule.

Existing and potential claimants would also become more familiar with the restrictions and requirements in claiming and using the funds. There are available sample TDA administrative manuals that have been produced by other RTPAs that help guide the TDA process. Each one is customized according to local conditions in how their respective TDA programs are administered, and provides a useful resource and educational tool.

6. Certify in triennial audit letter to Caltrans that transit operator TDA performance audits are not conducted in Madera County.

At the time the MCTC performance audit is completed and submitted to Caltrans, MCTC should ensure that a cover letter accompanying the MCTC performance audit explains that performance audits of operators are not conducted because of their status as Article 8 funded services. TDA statute does not require performance audits of Article 8 transit claims. However, many Article 8 transit services undergo performance audits in other counties as a measure of local policy and good industry practice attesting to the value of a third party evaluation.

Appendix A
Sample TDA Claim Standard Assurances

**SAMPLE STANDARD ASSURANCES FOR APPLICANTS
TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS
Local Transportation Funds and State Transit Assistance Funds**

Claimant _____

Fiscal Year **2012** (Project Year)

Please initial all applicable paragraphs pursuant to which the attached claim is being submitted.

Initials

1. **180-DAY CERTIFIED FISCAL AUDIT** - Claimant certifies that it has submitted a satisfactory, independent fiscal audit, with required certification statement, to the COG and State Controller, pursuant to PUC 99245 and CCR 6664 for the prior fiscal year (project year minus two). Claimant assures that this audit requirement will be completed for the current fiscal year (project year minus one). _____

2. **90-DAY ANNUAL REPORT** - Claimant certifies that it has submitted a State Controller's report in conformance with the uniform system of accounts and reports to the COG and State Controller, pursuant to PUC 99243.5, for the prior year (project year minus two). Claimant assures that this report will be completed for the current fiscal year (project year minus one). _____

3. **REVENUE RATIOS FOR OPERATORS** - Claimant filing a claim pursuant to PUC 99268.2, 99268.3, 99268.4, or 99270.1 certifies that it will maintain for the project year a ratio of fare revenues to operating costs of: a) 20% if the claimant is serving an urbanized area; b) 10% if the claimant is serving a non-urbanized area, or an intermediate ratio established by the COG. _____

4. **REVENUE RATIOS FOR EXCLUSIVE SERVICES TO ELDERLY AND HANDICAPPED** - Claimants filing a claim pursuant to PUC 99268.5 certifies that, for the purposes of that claim, it provides services using vehicles for the exclusive use of elderly and handicapped persons and that it will maintain for the project year a ratio of fare revenues to operating costs of 10%. _____

5. **EXTENSION OF SERVICE** - Claimant that received an allocation of LTF funds for an extension of service pursuant to PUC 99268.8 certifies that it will file a report of these services pursuant to PUC 6633.8b within 90 days after the close of the fiscal year in which that allocation was granted. _____

6. **RETIREMENT SYSTEM** - Claimant filing a claim pursuant to PUC 99260 certifies that: a) the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system; or, b) the operator is implementing a plan Approved by the transportation planning agency which will fully fund the retirement system for such officers and employees within 40 years; or, c) the operator has a private pension plan which sets aside and invests, on a current basis, funds sufficient to provide for the payment of future pension benefits and which is fully in compliance with the requirements stated in PUC 99272 and PUC 99273. _____

7. **USE OF FEDERAL FUNDS** - Claimant filing a claim for TDA funds for capital intensive projects pursuant to PUC 99268.7 certifies that it has made every effort to obtain federal funding for any project which is funded pursuant to PUC 99268.7. _____

8. **CALIFORNIA HIGHWAY PATROL (CHP) CERTIFICATION** - Claimant certifies compliance with Driver Pull Notice Requirements of PUC 99251 and Vehicle Code 1808.1 (attach copy of CHP certification). _____

9. **ANNUAL FISCAL AUDIT** - Claimant agrees to follow the annual fiscal audit process established by the Council of Governments. _____

10. **TRIENNIAL PERFORMANCE AUDIT** - Claimant agrees to make a reasonable effort to address all issues and recommendations made in the last Triennial Performance Audit. _____

11. **PRODUCTIVITY IMPROVEMENT PROGRAM** - Claimant agrees to make a reasonable effort to implement the productivity improvements recommended pursuant to Public Utilities Code Section 99244. _____

12. **CONFORMANCE WITH REGIONAL TRANSPORTATION PLAN** - Claimant certifies that all of the purposes for claim expenditures are in conformance with the Regional Transportation Plan. _____

13. **STATE TRANSIT ASSISTANCE FOR OPERATION** - Claimant agrees that it is not precluded by any contract from employing part-time drivers or contracting with common carriers or persons operating under a franchise or license. _____

(Legal Name of Applicant/Claimant)

(Authorizing Signature)

(Print Name and Title)