



# Triennial Performance Audit of the Lake Area Planning Council FY 2018/19 - FY 2020/21

FINAL REPORT  
MAY 2022







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## Chapter 1 | Executive Summary

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

In 2021, the Lake APC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the APC's public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

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

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

The Triennial Performance Audit includes five elements:

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



### Test of Compliance

With three exceptions, Lake City/County Area Planning Council adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Lake APC does not have rules and regulations for the evaluation of Article 3 and Article 4.5 claims.
2. Lake APC's State Controller Reports were submitted after the established deadline in FY 2018/19 and FY 2020/21.
3. LTA's TDA fiscal audit for FY 2020/21 was not completed by the extended deadline allowable under the TDA.

### Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included the following recommendations:

1. [Work with the TDA fiscal auditor to ensure LTA's TDA fiscal audits can be completed within the TDA-stipulated timeframe.](#)  
**Status:** Implementation in progress.
2. [Continue to work with the County's Auditor-Controller to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.](#)  
**Status:** No longer relevant.

### Goal Setting and Strategic Planning

Lake APC establishes goals in its Regional Transportation Plan (RTP). The RTP serves as the backbone for all transportation planning activities in Lake County. The purpose of the RTP is to establish regional goals, identify present and future needs, deficiencies, and constraints, analyze potential solutions, estimate available funding and propose investments. The RTP must be adopted by the APC Board of Directors. The RTP includes a 20-year planning horizon with a focus on seven key elements: Overarching Issues, State Highway System, Local Streets and Roads, Active Transportation, Public Transit, Tribal Transportation, and Aviation.

### Findings and Recommendations

Based on the current review, we submit the aforementioned TDA compliance findings.

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

1. Lake APC has not been conducting the STA efficiency tests to determine what portion of STA can be used for operating purposes.

In completing this Triennial Performance Audit, we submit the following recommendations for the Lake City/County Area Planning Council as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements





and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Develop a more formalized claims process that includes rules for Article 3 and Article 4.5 claims as well as a checklist for compliance, proposed budgets, STA efficiency tests, and a productivity review.	High	FY 2022/23
2	Ensure State Controller Reports are submitted within the established timeframe.	Medium	FY 2021/22
3	Work with fiscal auditors to ensure future LTA audits are completed within the established timeframe for transit operators.	Medium	None
Functional Recommendations		Importance	Timeline
1	Conduct STA efficiency tests to determine LTA’s eligibility to use STA funds for operating purposes.	High	FY 2023/24
Additional Recommendations		Importance	Timeline
1	Include an audit of Lake Links in the next round of TDA Triennial Performance Audits.	Medium	FY 2024/25



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## Chapter 2 | Audit Scope and Methodology

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

In 2021, the Lake APC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of Moore & Associates followed a competitive procurement process.

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

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

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

### Objectives

A Triennial Performance Audit has four primary objectives:

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

## Scope

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

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

## Methodology

The methodology for the Triennial Performance Audit of the Lake City/County Area Planning Council as the RTPA included thorough review of documents relevant to the scope of the review, as well as information contained on Lake APC's website. The documents reviewed included the following (spanning the full three-year period):

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

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with Lake City/County Area Planning Council representatives on April 28, 2022. The audit team met with Lisa Davey-Bates (Executive Director), Alexis Pedrotti (Project Manager), Charlene Parker (Administration), Nephele Barrett (Planning Principal), and John Speka (Senior Transportation Planner), and reviewed materials germane to the triennial audit.



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

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



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## Chapter 3 | Program Compliance

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

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

With three exceptions, Lake APC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Lake APC does not have rules and regulations for the evaluation of Article 3 and Article 4.5 claims.
2. Lake APC's State Controller Reports were submitted after the established deadline in FY 2018/19 and FY 2020/21.
3. LTA's TDA fiscal audit for FY 2020/21 was not completed by the extended deadline allowable under the TDA.

### Developments Occurring During the Audit Period

The last half of the audit period is markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, most transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, but how they responded to the crisis.

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

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio

thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.

AB 90 included the following provisions specific to transit operator funding through the TDA:

1. It prohibited the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It required the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and authorized the Controller to revise that transmittal memo, as specified. It required the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller would publish the amount of funding allocated to each operator.
3. It exempted an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorized the operator to use those funds for operating or capital purposes during that period.
4. It required the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It required the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extended the provisions of AB 90 through FY 2022/23 as well as provided additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

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





Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	Finding	Lake APC does not currently have a TDA Handbook or rules and regulations for Article 3 claims.
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	Lake APC has established an SSTAC in compliance with Senate Bill 498. There are currently two vacant positions – potential transit user age 60+ and potential transit user – disabled.  Public hearings held in conjunction with the Unmet Transit Needs process on:  February 14, 2018 March 6, 2019 April 8, 2020
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA’s jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> <li>• A committee for the purpose of providing advice on productivity improvements may be formed.</li> <li>• The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation.</li> </ul>	PUC 99244	In compliance	Lake APC reviews operator performance on a monthly basis as part of the monthly invoice/performance review.
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	Finding	FY 2018/19: March 26, 2020 FY 2019/20: March 29, 2021 FY 2020/21: Pending*
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2018/19: May 27, 2020 FY 2019/20: June 22, 2021 FY 2020/21: Pending*

\*This audit is expected to be completed by June 30, 2022.



Compliance Element	Reference	Compliance	Comments
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	Finding	FY 2018/19: February 10, 2020 FY 2019/20: January 29, 2021 FY 2020/21: February 24, 2022
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator’s TDA money, and to the RTPA within 12 months after the end of the triennium. If an operator’s audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	Moore & Associates, Inc. was engaged to complete the FY 2016 – FY 2018 Triennial Performance Audits. They were completed in June 2019.  Moore & Associates was also selected to prepare the FY 2019 – FY 2021 Triennial Performance Audits.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	Email to Josh Pulverman submitting the FY 2016 – FY 2018 Triennial Performance Audits dated June 14, 2019.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	
The performance audit of the operator providing public transportation services shall include a verification of the operator’s cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	Not applicable	There are no blended areas within the APC’s jurisdiction.
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	Finding	Lake APC does not currently have a TDA Handbook or rules and regulations for Article 4.5 claims.



Compliance Element	Reference	Compliance	Comments
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	Lake APC does not currently evaluate LTA's STA eligibility using the efficiency tests. However, LTA was determined to be in compliance with at least one of the tests in FY 2018/19, and AB 149 waived this requirement for FY 2019/20 and FY 2020/21.
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238;</li> <li>• Identified transit needs, including:               <ul style="list-style-type: none"> <li>▪ Groups that are transit-dependent or transit-disadvantaged;</li> <li>▪ Adequacy of existing transit services to meet the needs of groups identified; and</li> <li>▪ Analysis of potential alternatives to provide transportation alternatives;</li> </ul> </li> <li>• Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet";</li> <li>• Identified the unmet transit needs and those needs that are reasonable to meet; and</li> <li>• Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	<p>Unmet Transit Needs findings were adopted in compliance with this section on the following dates:</p> <p>May 8, 2018            May 8, 2019            May 6, 2020</p>



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## Chapter 4 | Prior Recommendations

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

The prior audit – completed in June 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included two recommendations:

1. [Work with the TDA fiscal auditor to ensure LTA's TDA fiscal audits can be completed within the TDA-stipulated timeframe.](#)

**Discussion:** In FY 2017/18, the LTA's TDA fiscal audit was submitted on April 30, 2019, one month following the 180-day deadline with the 90-day extension. The prior audit recommended APC's staff work with its TDA fiscal auditor to ensure appropriate deadlines are built into the contract and that those deadlines are being met. A TDA auditor should be well aware of the requirements of the TDA with respect to fiscal audit submittal, and should be held accountable should those deadlines not be met. If an audit cannot be completed within the 90-day extension, the reason for the delay should be documented so that the next triennial performance auditor can determine where the cause of the late submittal lies (i.e., delay on the part of the auditor or delay on the part of the entity being audited).

**Progress:** Generally, this has been addressed. However, there was a finding in the last Lake APC/LTA fiscal audit that necessitated a transition to QuickBooks, and the new audit cannot be completed until that transition is complete. As a result, completion of the FY 2020/21 audit has been delayed until at least late May. While this will not impact Lake APC's compliance (as the RTPA audit is due 12 months after the end of the fiscal year) but it will impact LTA's compliance (as operator audits are due 9 months after the end of the year).

**Status:** Implementation in progress.

2. [Continue to work with the County's Auditor-Controller to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.](#)

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

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



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

**Progress:** While Lake APC still does not receive an LTF estimate from the Lake County Auditor-Controller, it uses the same process used by the Mendocino County auditor, which has resulted in accurate estimates. Given the Lake County Auditor-Controller has not been able to provide this estimate over the past decade, and Lake APC uses a methodology that results in an LTF estimate that is as accurate as if the Auditor-Controller had provided it, the audit team has determined this recommendation to be no longer relevant. Lake APC is encouraged to share its methodology with the Lake County Auditor-Controller and work with the Auditor-Controller to adopt the proposed methodology, whether the estimates are developed by Lake APC or the Auditor-Controller.

**Status:** No longer relevant.

## Chapter 5 | Goal Setting and Strategic Planning

This chapter analyzes the Lake APC’s goal setting and strategic planning process. The primary planning document is the Regional Transportation Plan (RTP). The RTP is a long-range (20-year) transportation plan providing a vision for regional transportation investments. The most recent update, which was completed in 2022, considers the role of transportation including economic factors, quality of life issues, and environmental factors.

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

Prior to 2017, APC updated its RTP every five years. APC staff began working on an update in 2015, but decided it would be beneficial to synchronize RTP updates with the Regional Housing Needs Allocation (RHNA) cycle, which is conducted every eight years. As a result, the RTP was adopted in early 2018. As of 2022, the RTP is now on a four-year update schedule.

The RTP includes a 20-year planning horizon with a focus on seven key elements: Overarching Issues, State Highway System, Local Streets and Roads, Active Transportation, Public Transit, Tribal Transportation, and Aviation.

Public participation for the RTP was guided by the Lake APC’s newly updated 2021 Public Participation Plan. That plan included seven specific goals for public participation:

1. Provide all interested parties and agencies reasonable opportunities for involvement in the transportation planning process.
2. Increase public awareness and understanding of the transportation planning process in Lake County.
3. Ensure accessibility to the transportation planning process and information for all members of the community.
4. Maintain contact with interested individuals and agencies throughout the process of developing plans and projects.
5. Increase opportunities for those traditionally under-served, including the elderly, low income, disabled, and minority households, to participate in the transportation planning process.
6. Consider public and agency input and comments as an integral part of the APC’s decision-making process.
7. Consult with tribal governments within Lake County and provide opportunities for tribal government input into the transportation planning process.

Public engagement for the 2022 update was, due to the COVID-19 pandemic and varying degrees of restrictions on public gatherings, quite different than in prior years. Lake APC utilized Social Pinpoint ([lakeapc.mysocialpinpoint.com](http://lakeapc.mysocialpinpoint.com)), an online engagement program, to inform the public about updates to the RTP and the Active Transportation Plan. The platform was promoted via a series of activities, including

advertisements in local media outlets, email, flyers, print media, and radio coverage. A series of informational presentations were also conducted, including:

- Caltrans Tribal Quarterly Update,
- Kiwanis Club of Lakeport,
- Middletown Area Town Hall,
- Clearlake City Council,
- Lucerne Area Town Hall,
- Lake County Board of Supervisors, and
- Lakeport City Council.

Additional outreach was conducted with local tribal communities.

The draft RTP was circulated for public review, during which Lake APC held a Zoom conference to address any additional comments. It was adopted by the Lake APC Board on February 9, 2022..

The 2022 RTP includes a series of mode-specific goals, objectives, and policies, which are detailed in Exhibit 5.1. Performance measures are summarized in Exhibit 5.2.





Exhibit 5.1 2022 RTP Goals, Objectives, and Policies

Goal	Objective	Policies
<b>Overarching Issues</b>		
Develop a multi-modal system of seamless transportation facilities designed to serve both regional and interregional needs.	OI-1: Coordinate support and encourage multi-modal regional planning activities in Lake County across jurisdictional boundaries.	OI-1.1: Participate in the regional planning efforts of other agencies.
		OI-1.2: Coordinate with local and State agencies on health, security, and emergency response planning efforts. Work cooperatively with local, regional, and State agencies to ensure effective emergency response efforts are well coordinated during natural disasters such as wildfire or flood events.
		OI-1.3: Support non-motorized, recreational opportunities in and around Clear Lake such as increased public access to the lake, trail development for hiking and equestrian uses, and continued efforts to develop a bike route around the lake.
		OI-1.4: Evaluate individual projects with an eye for potential regionwide impacts when formulating, designing, and constructing transportation projects of various modes and at all levels.
		OI-1.5: Work with local jurisdictions to further housing goals of the region and to update and implement Regional Housing Needs Allocations (RHNA).
		OI-1.6: Encourage projects that emphasize infill and transit-oriented development within the region.
	OI-2: Support Complete Streets planning to improve multi-modal forms of connectivity within the transportation system.	OI-2.1: Pursue finding in partnership with federal, State, and local agencies to find projects consistent with Complete Streets concepts and design strategies.
		OI-2.2: Encourage local agencies to adopt Complete Streets policies and implement Complete Streets strategies and projects.
		OI-2.3: Incorporate Complete Streets concepts and policies into future planning documents.
		OI-2.4: Implement existing strategies within planning documents such as Active Transportation Plan and Highway 20 Northshore Communities Traffic Calming Plan.
		OI-2.5: Encourage and support transit and active transportation planning and facility improvements.
		OI-2.6: Support efforts to reduce dependency on automobile use including promotion of bicycle/pedestrian transportation and public use.



Goal	Objective	Policies
Develop a multi-modal system of seamless transportation facilities designed to serve both regional and interregional needs. <i>(continued)</i>	OI-3: Reduce Greenhouse Gas emissions by promoting and facilitating transit use and increasing active transportation alternatives.	OI-3.1: Facilitate implementation of the Active Transportation Plan (ATP) and construction of ATP and older Safe Routes to Schools (SRTS) projects to encourage students to walk and bike to school rather than traveling by car.
		OI-3.2: Update the Active Transportation Plan consistent with the Regional Transportation Plan update schedule, or as needed to keep the plan current and meaningful.
		OI-3.3: Support increased frequency/expansion of transit service consistent with the local Unmet Transit Needs process.
		OI-3.4: Support and facilitate the installation of electric vehicle charging stations for public use. Explore options for affordable, clean energy technology and programs.
		OI-3.5: Pursue funding to prepare a regional Travel Demand Model to assist in developing projects that will reduce Vehicle Miles Traveled (VMT) in the region.
		OI-3.6: Support planning projects that further greenhouse gas reducing effort at the State level such as SB 32, SB 375, and SB 743.
		OI-3.7: Support planning projects which will facilitate a transition to zero-emission vehicles consistent with Executive Order EO N-79-20.
	OI-4: Reduce and mitigate environmental impacts of current and future transportation projects.	OI-4.1: Early in the planning and design process, involve community members and environmental organizations to identify potential environmental issues as well as potential avoidance, minimization, and mitigation opportunities.
		OI-4.2: Work with local jurisdictions to develop project-specific mitigation measures as a means of reducing Vehicle Miles Traveled (VMT) resulting from land-use development.
	OI-5: Increase funding for transportation planning, pre-construction activities, and construction.	OI-5.1: Pursue both traditional and non-traditional funding sources for planning, pre-construction, and construction of transportation projects.
		OI-5.2: Work cooperatively and collaboratively with other agencies and organizations to secure funding for projects which further the goals, objectives, and policies identified in the Regional Transportation Plan.
	OI-6: Support planning projects that will benefit public health in the region.	OI-6.1: Pursue funding sources that encourage active transportation and promote active forms of recreation for residents and visitors of all ages and physical capabilities.
		OI-6.2: Encourage non-motorized planning activities that result in lower GHG emissions and other air pollutants as a means of improving air quality in the region.
		OI-6.3: Pursue funding sources for mobility-oriented projects that improve access to health care for seniors, disabled, or economically disadvantaged residents of the region.



Goal	Objective	Policies
<b>State Highway System</b>		
Provide a safe, well-maintained and efficient State highway network that addresses regional and statewide mobility needs for people, goods, and services.	SHS-1: Improve mobility on the State highway system throughout Lake County.	SHS-1.1: Support, as the highest priority, completion of remaining segments of the Lake 29 (Diener Dr – SR 175) Improvement Project.
		SHS-1.2: Coordinate with Caltrans to seek ITIP, SHOPP, SB 1, and RAISE funding for the Lake 29 (Diener Dr – SR 175) Expressway Project.
		SHS-1.3: Support periodic update of the approved environmental document for the Lake 29 (Diener Dr – SR 175) Expressway Project to ensure its long-term viability in aiding project implementation into the future.
		SHS-1.4: Identify for funding consideration mobility improvements on SR 20 consistent with the Highway 20 Northshore Communities Traffic Calming Plan and the Active Transportation Plan.
		SHS-1.5: Identify for funding consideration projects consistent with the SR 53 Corridor Study.
		SHS-1.6: Implement strategies and projects to encourage trucks and interregional traffic to use the Principal Arterial Corridor (includes segments of SR 20 and SR 29, and all of 53) for travel through Lake County.
		SHS-1.7: Implement strategies and projects consistent with the Interregional Transportation Strategic Plan (ITSP) and California Freight Mobility Plan (CFMP).
Provide a safe, well-maintained and efficient State highway network that addresses regional and statewide mobility needs for people, goods, and services. <i>(continued)</i>	SHS-2: Improve safety conditions on the State highway system serving Lake County.	SHS-2.1: Coordinate with Caltrans to identify safety issues, develop solutions and identify funding opportunities. Include regional input into the District 1 State Highway Operations and Protection Plan (SHOPP).
		SHS-2.2: Coordinate with local and State agencies on security and emergency response planning efforts, including the identification of key evacuation and emergency access routes.
		SHS-2.3: Implement traffic calming and safety improvements along State highway segments that function as “Main Streets” within communities such as Middletown, Nice, Lucerne, Glendale and Clearlake Oaks.
		SHS-2.4: Identify for funding consideration safety projects on all State highways (SR 20, SR 29, SR 53, SR 175 and SR 281) in Lake County.
		SHS-2.5: Identify for funding consideration mobility improvements on SR 20 consistent with the Highway 20 Northshore Communities Traffic Calming Plan.
		SHS-2.6: Cooperate with Caltrans and Lake County to facilitate implementation of the Highway 20 Traffic Calming and Beautification Plan projects in North Shore communities.
		SHS-2.7: Pursue grant funding for studies and projects to improve active transportation alternatives within State highway segments that function as “Main Streets” within Lake County communities.
		SHS-2.8: Consider construction of grade separations (e.g. interchanges, overpasses, underpasses) and roundabouts as long-term solutions to safety and capacity issues at major intersections/junctions on the Principal Arterial Corridor.



Goal	Objective	Policies
Provide a safe, well-maintained and efficient State highway network that addresses regional and statewide mobility needs for people, goods, and services. <i>(continued)</i>	SHS-2: Improve safety conditions on the State highway system serving Lake County. <i>(continued)</i>	SHS-2.9: Facilitate the identification of State highway related safety issues within local communities and throughout the County. SHS-2.10: Support the continued development of the Upstate CA Regional ITS Master Plan. Upon its completion, ensure that future ITS projects affecting the Lake County region are in conformance with the goals of the Plan.
	SHS-3: Facilitate efficient and safe transportation of goods within and through Lake County.	SHS-3.1: Identify constraints to highway freight movement on segments of the Principal Arterial Corridor not yet programmed for improvement.
		SHS-3.2: Identify for funding consideration mobility improvements along the Principal Arterial Corridor (SR 20, SR 53 and SR 29) consistent with the California Freight Mobility Plan 2020 (CFMP) and Trade Corridor Enhancement Program (TCEP) Guidelines.
		SHS-3.3: Identify improvements to Minor Arterial segments of the State highway system that facilitate safe and efficient goods movement.
		SHS-3.4: Work with the California Trucking Association and other industry organizations to improve safety and remove constraints to safe and efficient goods movement.
		SHS-3.5: When planning and designing road projects, consider the needs of vehicles used for goods movement, including Surface Transportation Assistance Act (STAA) trucks and vehicles transporting agricultural commodities and products.
	<b>Local Streets and Roads</b>	
Provide a well maintained, safe and efficient local circulation system that is coordinated and complementary to the State highway system and meets interregional and local mobility needs of residents, visitors and commerce.	LSR-1: Maintain, rehabilitate and construct local streets and roads consistent with local and regional needs, city and County area plans, and policies and Complete Streets policies.	LSR-1.1: Identify local streets and roads reconstruction projects for funding consideration from the State Transportation Improvement Program (STIP) as well as other sources.
		LSR-1.2: Prioritize funding resources that may be available through the STIP for capital and safety projects ahead of those for potential rehabilitation projects.
		LSR-1.3: Plan and design rehabilitation and reconstruction projects consistent with Complete Streets concepts and design strategies.
		LSR-1.4: Use the Pavement Management Program to identify and prioritize rehabilitation and reconstruction needs.
	LSR-2: Develop multimodal Transportation facilities as needed to adequately serve the mobility needs of residential, commercial and industrial development.	LSR-2.1: Coordinate with state and local agencies and developers to ensure that multi-modal transportation alternatives, consistent with the Complete Streets Act, are considered in the design and construction of their transportation projects.
		LSR-2.2: Support establishment of traffic impact fees to construct new transportation facilities associated with new development.
		LSR-2.3: Identify for funding consideration multi-modal mobility improvements on the Eleventh Street corridor in Lakeport consistent with recommendations of the Eleventh Street Corridor Multimodal and Engineered Feasibility Study.



Goal	Objective	Policies
Provide a well maintained, safe and efficient local circulation system that is coordinated and complementary to the State highway system and meets interregional and local mobility needs of residents, visitors and commerce. <i>(continued)</i>	LSR-3: Improve traffic flow, capacity, safety and operations on the local transportation network.	LSR-3.1: Identify for funding consideration local streets and roads capacity, safety, and operational projects from funding sources available through STIP and other resources.
		LSR-3.2: Coordinate with local agencies on security and emergency response planning efforts, including the identification of key evacuation and emergency access routes.
		LSR-3.3: Limit the approval of new direct access points to State highways.
		LSR-3.4: Plan and design local and State improvements consistent with the SR 53 Corridor Study.
		LSR-3.5: Plan and design improvements consistent with the Highway 20 Northshore Communities Traffic Calming Plan.
	LSR-4: Pursue federal, State, local and private funding sources for transportation system maintenance, restoration and improvement projects consistent with this Plan.	LSR-4.1: Consider development and implementation of a Transportation Impact Fee Program in coordination with Caltrans, the County of Lake, the City of Lakeport and the City of Clearlake.
		LSR-4.2: Assist local agencies in identifying and applying for funding resources for improvements to travel all modes.
		LSR-4.3: Actively pursue funding sources from local, State, federal and private funding sources, including local-option sales taxes, fees and other programs.
<b>Active Transportation</b>		
Increase the number of local and regional trips accomplished by bicycling and walking; increase safety and mobility for non-motorized modes of travel; enhance public health by providing access to non-motorized facilities while reducing overall Vehicle Miles Traveled (VMT), both locally and regionally.	AT-1: Facilitate and promote walking, bicycling and other active modes of transportation.	AT-1.1: Increase the utility of the non-motorized transportation network by expanding the extent and connectivity of the existing bicycle and pedestrian facilities.
		AT-1.2: Develop and maintain a non-motorized traffic count program for the region to identify travel demand and investment priorities.
		AT-1.3: Work with State and local agencies to incorporate bicycle and pedestrian amenities, like secure bicycle parking facilities, and safety countermeasures into planning requirements and improvement projects.
		AT-1.4: Encourage and assist local agencies to develop and revise planning documents, zoning ordinances and policies to meet the objectives of the Active Transportation Program and the Complete Streets Act.
		AT-2: Reduce Greenhouse Gas emissions and Vehicle Miles Traveled (VMT).
	AT-2: Reduce Greenhouse Gas emissions and Vehicle Miles Traveled (VMT).	AT-2.1: Act to reduce Greenhouse Gas emissions and VMT by increasing pedestrian and bicycle trips.
		AT-2.2: Promote safe and convenient bicycle and pedestrian access to transit.
		AT-2.3: Assist local agencies in the adoption of policies, ordinances, and plans that promote more walkable communities with a mix of land uses.
		AT-2.4: Encourage VMT reducing mitigation measures for discretionary development projects at the local and State level.



Goal	Objective	Policies	
Increase the number of local and regional trips accomplished by bicycling and walking; increase safety and mobility for non-motorized modes of travel; enhance public health by providing access to non-motorized facilities while reducing overall Vehicle Miles Traveled (VMT), both locally and regionally. <i>(continued)</i>	AT-3: Enhance public health through the development of active transportation projects.	AT-3.1: Work with local agencies, schools and public health organizations to engineer, educate, encourage, enforce and evaluate bicycle and pedestrian environments for the benefit of all users and all abilities. AT-3.2: Identify for funding consideration pedestrian facility improvements consistent with the Lake County Pedestrian Facilities Needs Inventory.	
	AT-4: Preserve investments in the multi-modal transportation system.	AT-4.1: Maintain safe and accessible bicycle and pedestrian environments to encourage active transportation. AT-4.2: Plan and budget for lifecycle costs when constructing new facilities for active transportation.	
	AT-5: Increase funding for transportation planning, design and construction of active transportation facilities.	AT-5.1: Pursue non-traditional funding sources for planning, design and construction of active transportation facilities. AT-5.2: Work cooperatively and collaboratively with other agencies to secure funding for projects that further the goals, policies and objectives of the Active Transportation Plan. AT-5.3: Incorporate bicycle and pedestrian facilities into road improvement and maintenance projects. AT-5.4: Encourage local agencies to require new development to install, contribute to and/or maintain bicycle and pedestrian facilities, including end-of-trip facilities.	
	<b>Public Transit</b>		
	Provide reliable mobility for all residents and visitors in Lake County.	PT-1: Identify unmet transit needs of residents and visitors of Lake County.	PT-1.1: Provide a forum for public agency coordination and public involvement in the transit planning and implementation process.
			PT-1.2: Conduct a formal Unmet Transit Needs Process as outlined in the Transportation Development Act.
			PT-1.3: Convene the Social Services Transportation Advisory Council (SSTAC) on a quarterly basis.
PT-1.4: Conduct outreach efforts consistent with the Public Participation Plan.			
PT-2: Establish priorities and design services to meet the mobility needs of transit users.		PT-2.1: Coordinate with local agencies and organizations (including the SSTAC) to identify needs and opportunities to improve services and facilities.	
		PT-2.2: Enhance non-emergency medical transportation in Lake County by working with the Consolidated Transit Services Agency (Lake Links) to explore and/or create new programs (e.g. volunteer driver, microtransit, etc.), or else to strengthen and/or expand existing programs.	
	PT-2.3: Pursue opportunities to research and evaluate the potential for individualized, flexible transportation to meet the transportation needs of seniors, persons with disabilities, or low-income persons who are unable to utilize the existing public transportation system.		



Goal	Objective	Policies
Provide reliable mobility for all residents and visitors in Lake County. <i>(continued)</i>	PT-3: Provide a safe and accessible transit system.	PT-3.1: Support implementation of the 2019 LTA Bus Passenger Facility Plan.
		PT-3.2: Coordinate with local agencies, organizations and businesses to improve and install transit passenger facilities, including bus stop, turnouts, benches and shelters along existing and new routes.
		PT-3.3: Consider the impacts of new development (residential and commercial) on the transit system and identify appropriate mitigation measures to be incorporated into the proposed development.
		PT-3.4: Coordinate with State and local agencies to plan and design transit services and facilities consistent with the Complete Streets Act of 2008.
		PT-3.5: Ensure proper maintenance of the transit fleet and operations center and provide adequate maintenance personnel training.
		PT-3.6: Improve connectivity between transit facilities, pedestrian facilities and bicycle facilities.
		PT-3.7: Improve streets and road conditions, including drainage, along transit routes.
	PT-4: Improve the efficiency of the transit system.	PT-4.1: Continue to seek ways in which to reduce Greenhouse Gas emissions from public transit sources.
		PT-4.2: Seek ways in which to reduce fuel and utility costs for public transit.
		PT-4.3: Improve transit system performance monitoring, reliability and dispatching efficiency using GPS and mobile data transmission systems.
		PT-4.4: Coordinate with Lake Transit Authority and Lake Links (Consolidated Transportation Services Agency) to improve public transportation and non-emergency medical transportation in Lake County.
	PT-5: Support efforts to improve transit service to employment centers, retail centers, educational institutions, public facilities and medical facilities.	PT-5.1: Promote connectivity and coordination with other transportation services.
		PT-5.2: Assist Caltrans with improving existing and locating new Park & Ride lots along transit routes.
		PT-5.3: Improve transit service for commuters and for intercity travel.
		PT-5.4: Explore alternatives for increasing intercity connections to locations in other counties and to other transportation systems.
		PT-5.5: Pursue funding for planning projects that focus on “first and last mile” access to and from key transit destinations.
	PT-6: Maximize funding for transit services and facilities.	PT-6.1: Support efforts to obtain funding through public and private funding sources for transit planning and transit services.
		PT-6.2: Identify opportunities to utilize the Consolidated Transportation Services Agency to facilitate services that complement and coordinate with Lake Transit services.



Goal	Objective	Policies
Provide reliable mobility for all residents and visitors in Lake County. <i>(continued)</i>	PT-7: Improve and monitor the security of the transit system.	PT-7.1: Continue to update, as needed, GPS/mobile data-based video camera and automatic vehicle locator equipment to monitor security and quality assurance, and to enhance performance monitoring and track transit system reliability.
		PT-7.2: Support Lake Transit Authority efforts to plan and provide for transit services security and emergency response and recovery efforts.
		PT-7.3: Coordinate with County OES/Emergency Response Commander on emergency response planning activities, including identification of bus stop locations near potential evacuation centers (schools, senior centers, etc.).
<b>Tribal Transportation</b>		
Provide Lake County’s tribal members a safe, effective and functional multimodal transportation system.	TT-1: Consider the transportation needs of tribal members, employees, clients and students traveling between tribal communities, housing, employment centers, public service facilities, medical facilities, and schools.	TT-1.1: Develop, design and implement transportation projects in coordination with Tribal Transportation plans.
		TT-1.2: Coordinate with tribal communities during planning, design and construction of transportation projects to address and manage potential impacts to cultural, archaeological and environmental resources.
		TT-1.3: Facilitate protection of cultural resources during design, construction and maintenance of transportation facilities.
	TT-2: Consult with and involve tribal communities early in the planning and design processes.	TT-2.1: Assist tribal communities with the development of Tribal Transportation plans and other transportation efforts as requested.
		TT-2.2: Provide opportunities for consultation with tribal councils on transportation issues.
		TT-2.3: Invite tribal representatives to attend public meetings and workshops and to participate in advisory committees on transportation issues.
	TT-3: Facilitate access to transportation resources for tribal communities.	TT-3.1: Support efforts by tribal communities to obtain funding for transportation projects.
		TT-3.2: Provide information to tribal communities on opportunities to receive assistance and funding to improve transportation services for tribal members, employees and visitors.
	<b>Aviation</b>	
Provide an aviation system with physical and operational facilities that meet the regional and interregional general and commercial aviation needs of Lake County.	AV-1: Support implementation of the Airport Land Use Compatibility Plan (ALUCP), Airport Master Plan and other plans that further improvements to the aviation system.	AV-1.1: Ensure that the RTP and other planning documents are consistent with the Airport Land Use Compatibility Plan (ALUCP).
		AV-1.2: Support implementation of the Airport Master Plan and Capital Improvement Plan.
		AV-1.3: Support the modernization and improvement of air transportation activities and services.
		AV-1.4: Review and comment on County General Plan amendments, rezoning applications and other entitlement projects and environmental documents in the vicinity of Lampson Field to facilitate safety, operations and land use compatibility near the airport.





Goal	Objective	Policies
Provide an aviation system with physical and operational facilities that meet the regional and interregional general and commercial aviation needs of Lake County. <i>(continued)</i>	AV-2: Improve medical transportation services.	AV-2.1: Support improvements at Lampson Field that facilitate medical transportation services, including REACH Air Medical Services.
	AV-3: Improve Emergency Response and Recovery.	AV-3.1: Develop plans and support projects that are consistent with the County Office of Emergency Services (OES) response and recovery plans.
		AV-3.2: Encourage coordination with agencies involved in emergency services, including the County of Lake, U.S. Forest Service, Bureau of Land Management, CalFIRE and other agencies.
	AV-4: Support Goods Movement.	AV-3.1: Develop plans and support projects that are consistent with the County Office of Emergency Services (OES) response and recovery plans.
		AV-3.2: Encourage coordination with agencies involved in emergency services, including the County of Lake, U.S. Forest Service, Bureau of Land Management, CalFIRE and other agencies.
	AV-5: Maximize funding opportunities for aviation planning and improvements.	AV-5.1: Support efforts to obtain State and federal funding, including grant and loan programs.
AV-5.2: Assist in the development of aviation planning resources (including an airport GIS layer) to increase competitiveness from discretionary sources.		



Exhibit 5.2 2022 RTP Performance Measures

Component	Category	Performance Measure
State Highway System	Safety – Reduction in fatalities, injury, and property loss of system users and workers	<ul style="list-style-type: none"> <li>• Collision data with a focus on number of fatalities, number of serious injuries, and number of non-motorized fatalities/serious injuries</li> <li>• Traffic volumes</li> <li>• Call box (Service Authority for Freeway Emergencies [SAFE]) installment and maintenance</li> </ul>
	System Preservation – Maintaining the condition of the network	<ul style="list-style-type: none"> <li>• Pavement Management Program (PMP)</li> <li>• Pavement Condition Index (PCI)</li> </ul>
	Mobility/Accessibility – Ease or difficulty of traveling from an origin to a destination	<ul style="list-style-type: none"> <li>• Level of Service (LOS)</li> <li>• Travel Demand Model               <ul style="list-style-type: none"> <li>○ Travel times and distances</li> <li>○ Interregional vehicle trip numbers</li> <li>○ Vehicle Miles Traveled (VMT) for interregional travel</li> <li>○ Origin and destination data</li> </ul> </li> <li>• Walkability               <ul style="list-style-type: none"> <li>○ Pedestrian access to transit facilities within 0.25 mile</li> <li>○ Pedestrian access to commercial and/or shopping centers within 0.25 mile</li> </ul> </li> </ul>
	Goods Movement – Improved trucking/shipping travel times	<ul style="list-style-type: none"> <li>• Travel Demand Model               <ul style="list-style-type: none"> <li>○ Travel times and distances</li> <li>○ Interregional vehicle trip numbers</li> <li>○ Vehicle Miles Traveled (VMT) for interregional travel</li> <li>○ Origin and destination data</li> <li>○ North shore/south shore route splits</li> </ul> </li> </ul>



Component	Category	Performance Measure
Local Streets and Roads	Safety – Reduction in fatalities, injury, and property loss of system users and workers	<ul style="list-style-type: none"> <li>• Accident data</li> <li>• Traffic volumes</li> </ul>
	System Preservation – Maintaining the condition of the network	<ul style="list-style-type: none"> <li>• Pavement Management Program (PMP)</li> <li>• Pavement Condition Index (PCI)</li> </ul>
	Mobility/Accessibility – Ease or difficulty of traveling from an origin to a destination	<ul style="list-style-type: none"> <li>• Level of Service (LOS)</li> <li>• Travel Demand Model               <ul style="list-style-type: none"> <li>○ Travel times and distances</li> <li>○ Interregional vehicle trip numbers</li> <li>○ Vehicle Miles Traveled (VMT) for interregional travel</li> <li>○ Origin and destination data</li> </ul> </li> <li>• Walkability               <ul style="list-style-type: none"> <li>○ Pedestrian access to transit facilities within 0.25 mile</li> <li>○ Pedestrian access to commercial and/or shopping centers within 0.25 mile</li> </ul> </li> </ul>
Transit	Safety/Security	<ul style="list-style-type: none"> <li>• Passenger injuries pr 100,000 miles</li> <li>• Security incidents per 1,000 passengers</li> </ul>
	System Reliability	<ul style="list-style-type: none"> <li>• Percentage of on-time departures</li> <li>• Complaints per 1,000 boardings</li> </ul>
	System Preservation	<ul style="list-style-type: none"> <li>• Number of facility improvements completed</li> <li>• Average vehicle fleet age</li> <li>• Capital funding per capita</li> </ul>
	Vehicle Reliability	<ul style="list-style-type: none"> <li>• Number of road calls per monthly mileage</li> <li>• Maintenance cost as percentage of operating cost</li> </ul>
	Cost Efficiency	<ul style="list-style-type: none"> <li>• Farebox recovery ratio (10% minimum, 12% target)</li> <li>• Operating cost per passenger boarding</li> <li>• Operating cost per passenger-mile</li> <li>• Operating cost per vehicle service mile</li> </ul>



Component	Category	Performance Measure
Aviation	Attain self-sustaining revenue for Lampson Field to cover all operational costs and local matches for State and federal capital improvement funding	<ul style="list-style-type: none"><li>• Number of leased hangers</li><li>• Increase the number of aircraft stationed at Lampson Field</li><li>• Consistent General Fund support of the Airport</li><li>• Consistent California Aid to Airports Program (CAAP) support</li></ul>
	Timely construction of Airport Layout Plan improvements	<ul style="list-style-type: none"><li>• Implementation of the 5-Year Capital Improvement Plan on schedule</li></ul>
	Expanded commercial aviation uses adjacent to Lampson Field	<ul style="list-style-type: none"><li>• Occupancy rate of adjacent facilities with commercial aviation uses</li><li>• Expansion of existing uses and businesses</li></ul>

## Chapter 6 | Functional Review

A functional review of the [RTPA] determines the extent and efficiency of the following functional activities:

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

### Administration and Management

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

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

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

The current budget is sufficient to accomplish the RTPA's goals. Both contracts have recently been renewed, with a fourth extension through September 2023. A fifth and final extension could be considered at the conclusion of the fourth extension. Both the administrative contractor and the planning contractor feel additional staff hours may be needed in the new contracts to address the growing number of projects and responsibilities. Both contractors have been taking on new responsibilities and special projects, and must also respond to increased administrative and reporting duties for grants and other funding sources.

The APC Board meets regularly on the second Wednesday of every month, though July and January are typically dark. Most members attend most meetings, and the Board almost always has a quorum. One challenge is keeping the two at-large positions filled; however, in February 2022 the second position was filled.



The APC Board may appoint three standing committees: an Executive Committee, Policy Advisory Committee, and Technical Advisory Committee.

The [Executive Committee](#) is comprised of the APC Board Chair, Vice-Chair, and a third Board member. The committee makes every effort to provide geographically balanced representation. The Executive Committee meets on an as-needed basis.

The [Policy Advisory Committee \(PAC\)](#) is comprised of all eight Board members and a Caltrans representative, who is a voting member of the PAC. The APC convenes as the PAC at every regular meeting to include Caltrans as a voting member, then reconvenes as the APC at the end of the regular calendar to take action on the PAC's recommendations.

The [Technical Advisory Committee \(TAC\)](#) consists of nine voting members: Lake County Director of Public Works; Community Development Directors of Lake County, Clearlake, and Lakeport; City Engineers or Public Works Directors of Clearlake and Lakeport; Commander about the Lake County office of the California Highway Patrol; a representative from Lake Transit Authority; and a transportation planner from Caltrans District 1. The TAC reviews materials and make recommendations to the APC Board. The committee meets monthly on the third Thursday or on an as-needed basis.

Lake APC also has a [Social Services Transportation Advisory Council \(SSTAC\)](#), which was statutorily created by Senate Bill (SB) 498. The nine members of the SSTAC represent mobility interests of seniors, persons with disabilities, and persons of limited means. SSTAC members serve staggered three-year terms. The SSTAC meetings on a quarterly basis and meetings are open to the public. The SSTAC also participates in Lake APC's annual Unmet Transit Needs process.

Lake City/County Area Planning Council Board of Directors serving during the audit period included the following:

- Russ Cremer, City of Clearlake (2018-2021),
- Rex Jackman, Caltrans Representative (2018-2021) ,
- Chuck Leonard, Member at Large, County of Lake (2018-2021),
- Stacey Mattina, City of Lakeport (2018-2021),
- Kenneth Parlet, City of Lakeport (2018-2021),
- Russ Perdock, City of Clearlake (2018-2021),
- Bruno Sabatier, Board of Supervisors, County of Lake (2018-2021), and
- Moke Simon, Board of Supervisors, County of Lake (2018-2021).

Consultant staffing is sufficient for both the administration and planning elements of the APC's operation. There is virtually no turnover. All staff receive regular training, including attendance at Caltrans academies, workshops, CalACT, Board secretary conference training, etc.

The Regional Transportation Plan (RTP) is updated every four years, with the most recent update being adopted in February 2022. The update was conducted in-house. A more detailed discussion of the RTP is included in Chapter 5.

Exhibit 6.1 Organizational Chart



### Impact of COVID-19 pandemic

The Lake APC transitioned to remote work for approximately 18 months. No meetings were missed, but were transitioned to virtual formats. One advantage to the virtual meetings was the ability to engage with membership and the public visually (as opposed to by phone only). One of the advantages of being a small agency was its ability to adjust to working remotely more easily. This did affect APC’s ability to coordinate/communicate with larger agencies, which often had more trouble with the transition. Some committee meetings had better attendance when virtual, as travel sometimes precluded members from attending. Public outreach for RTP was conducted differently, and APC relied heavily on the Social Pinpoint online platform for that project.

### Claimant Relationships and Oversight

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

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

The APC provides a significant amount of assistance to LTA, including both planning and marketing. The most recent Short Range Transportation Plan was adopted in 2015, and Lake APC recently engaged a consultant to prepare an updated version. The last Coordinated Human Services Transportation Plan was updated and adopted in 2021.

### Transportation Planning and Regional Coordination

Dow & Associates is responsible for the development of Lake County’s Regional Transportation Plan (RTP). The latest RTP was adopted in February 2022 and will be updated every four years. The APC has been very successful in receiving grant funding for active transportation planning and construction in the county.



There has been definite progress in the last cycle or two, and the APC has been able to implement some of the past projects. Lake County and the cities have received grants as well.

The 2022 RTP includes a 20-year planning horizon with a focus on seven key elements: Overarching Issues, State Highway System, Local Streets and Roads, Active Transportation, Public Transit, Tribal Transportation, and Aviation. Public participation was guided by Lake APC's updated Public Participation Plan (2021) and conducted in accordance with public health protocols at the time. Public participation included virtual workshops; presentations to organizations in Clearlake, Lakeport, Middletown, and Lucerne; a community survey; outreach to public and private sector agencies and organizations; and outreach to local tribal governments.

The Lake APC does not use modeling for its RTP. For a small county, it is very labor- and cost-intensive to maintain an up-to-date model, and Lake County does not have the expertise to do so. The APC also relies on Caltrans for some project modeling.

#### Marketing and Transportation Alternatives

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

Surveys are conducted as part of the Short-Range Transportation Plan. A separate survey conducted during the COVID-19 pandemic sought to identify what could be done to encourage transit ridership. Survey efforts also include local colleges. Prior to COVID, LTA also staffed an information booth at the Lake County Fair and participated in community events.

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

#### Grant Applications and Management

Several APC staff participate in the preparation of grant applications for both the APC and LTA. The APC typically pursues grants for both planning and capital projects. The APC maintains a list of approximately 40 projects throughout all areas of the county. The APC's applications for active transportation planning cycles tend to be very competitive, as it already has a list of prioritized projects. The APC usually has one to two transit-related grants in its work program at all times.



## Chapter 7 | Findings and Recommendations

### Conclusions

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

### Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. Lake APC does not have rules and regulations for the evaluation of Article 3 and Article 4.5 claims.
2. Lake APC's State Controller Reports were submitted after the established deadline in FY 2018/19 and FY 2020/21.
3. LTA's TDA fiscal audit for FY 2020/21 was not completed by the extended deadline allowable under the TDA.

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

2. Lake APC has not been conducting the STA efficiency tests to determine what portion of STA can be used for operating purposes.

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

### Compliance Finding 1: Lake APC does not have rules and regulations for the evaluation of Article 3 and Article 4.5 claims.

**Criteria:** PUC 99233.3 and PUC 99233.7 allow RTPAs to set aside "off the top" allocations for pedestrian/bicycle projects (under Article 3) and community transit service (under Article 4.5). PUC 99234 requires claims for such pedestrian/bicycle projects be made according to the rules and regulations adopted by the RTPA. PUC 99275 requires criteria, rules, and regulations for the evaluation of claims under Article 4.5 to be adopted by the RTPA.

**Condition:** Lake APC does not currently have criteria, rules, and regulations for the evaluation of Article 3 and Article 4.5 claims. In prior years, all TDA funding was claimed by the APC or Lake Transit. With LTA

now administered by Lake APC, there has been even less need for a formal claims process. However, now that there is a separate CTSA (Lake Links), there is a need for a more formal claims process as well as for the RTPA to adopt rules, regulations, and criteria for claiming funds under these articles.

**Cause:** With an RTPA and a single operator, TDA allocations and claims have been very straightforward and simple in prior years.

**Effect:** As a result, no formal claims process was ever established.

**Recommendation:** Develop a more formalized claims process that includes rules for Article 3 and Article 4.5 claims as well as a checklist for compliance, proposed budgets, STA efficiency tests, and a productivity review.

**Recommended Action:** Lake APC should adopt rules and regulations for Article 3 and Article 4.5 claims. This may not be as critical for Article 3, since bicycle/pedestrian funds taken off the top are typically held and programmed by Lake APC. However, with a second operator designated as the CTSA and claiming funds under Article 4.5, the audit team recommends adopting criteria, rules, and regulations for claims under this article.

While many RTPAs prepare a formal TDA Handbook, such an undertaking is not necessary provided key processes and annual timelines are appropriately detailed in the claim form, an introductory letter, or within another policy and procedures document. However, it is recommended Lake APC develop a more detailed claims process and claim form, inclusive of a compliance checklist, proposed budgets, a productivity review, and potentially STA efficiency tests (which are discussed in greater detail later in this chapter). Several examples of such forms have been provided to Lake APC separate from this audit report. The claim forms should, at a minimum, identify the type of funding being claimed (e.g., Article 3, Article 4, Article 4.5, Article 8, and/or STA) as well as demonstrate the operator's compliance with requirements for receiving those funds.

**Timeline:** FY 2022/23.

**Anticipated Cost:** Modest.

**Compliance Finding 2: Lake APC's State Controller Reports were submitted after the established deadline in FY 2018/19 and FY 2020/21.**

**Criteria:** CCR 6660 requires the RTPA to submit an annual financial transactions report to the State Controller within seven months of the end of the fiscal year.

**Condition:** In FY 2018/19, Lake APC's State Controller Report was not submitted until February 10, 2020. In FY 2020/21, the State Controller Report was not submitted until February 24, 2022. These reports are typically prepared by the same CPA firm that conducts Lake APC's fiscal audits.

**Cause:** In FY 2018/19, oversight of LTA was transitioned from a third party to Lake APC, and during this period Lake APC was learning to manage both entities. As a result, the whole audit process ran late that year. In FY 2020/21, the audit was delayed by the implementation of QuickBooks to resolve a deficiency.



**Effect:** While the audit was ultimately submitted on time, the State Controller Report was 10 days late in FY 2018/19 and 24 days late in FY 2020/21.

**Recommendation:** Ensure State Controller Reports are submitted within the established timeframe.

**Recommended Action:** Work with the APC's fiscal auditor to ensure State Controller Reports are prepared and submitted within the established timeframe.

**Timeline:** FY 2021/22.

**Anticipated Cost:** None.

**Compliance Finding 3: LTA's TDA fiscal audit for FY 2020/21 was not completed by the extended deadline allowable under the TDA.**

**Criteria:** PUC 99245 requires RTPAs to ensure all operators to which they allocate TDA funds to submit an annual fiscal audit within 180 days of the end of the fiscal year, or with a 90-day extension which may be granted by the RTPA. With the extension, fiscal audits are due by March 31 following the end of the fiscal year.

**Condition:** In FY 2020/21, the Lake APC's fiscal audit (which also includes the audit of the LTA) had not been completed at the time of this report.

**Cause:** The prior fiscal audit included a recommendation/deficiency regarding the implementation of QuickBooks. Lake APC has been working to resolve that deficiency, which has delayed completion of the audit. The audit is expected to be completed in late May 2022.

**Effect:** While the delay will not affect RTPA compliance (as the RTPA's audit is due 12 months after the end of the fiscal year), it does result in late completion of the LTA's audit.

**Recommendation:** Work with fiscal auditors to ensure future LTA audits are completed within the established timeframe for transit operators.

**Recommended Action:** Given timely submittal of TDA fiscal audits has not been an ongoing issue, it is likely this occurrence is an outlier. Should future deficiencies be identified that need to be resolved before a future audit, Lake APC should make sure it is addressing them early enough so that they can be implemented before the operator's TDA fiscal audit is due. Otherwise, no further action is needed.

**Timeline:** None.

**Anticipated Cost:** None.

**Functional Finding 1: Lake APC has not been conducting the STA efficiency tests to determine what portion of STA can be used for operating purposes.**

**Criteria:** PUC 99314.6 requires transit operators to meet one of two efficiency criteria in order to use STA funding for operational expenses. The measure of efficiency is based on change in cost per vehicle service hour. If an operator does not meet either test of efficiency, then the amount of STA funding available for operating expenses is reduced by the lowest percentage it exceeded the amount necessary to meet the standard.

**Condition:** Given the fact that LTA was determined to have passed both STA efficiency tests for FY 2018/19, this is not a compliance finding. However, Lake APC does not normally conduct these tests, either as part of the TDA claims process or as part of the TDA fiscal audit.

**Cause:** Failure to conduct the efficiency test can result in the operator claiming STA funding for operating purposes it is not eligible to claim.

**Effect:** The operator would not be able to use claimed funds it is not eligible to use for operating purposes, but would have to allocate them for capital purposes.

**Recommendation:** Conduct STA efficiency tests to determine LTA's eligibility to use STA funds for operating purposes.

**Recommended Action:** Conduct the STA efficiency tests annually as part of the TDA claims process or the TDA fiscal audit. Ensure the tests have been conducted and the operator is eligible prior to authorizing any claims for STA operating funds. If the operator is not eligible to claim all available STA funds for operating, determine how much STA funding must be reserved for capital purposes only.

Since the efficiency tests use audited data, is it reasonable to include the calculation as part of the TDA fiscal audit alongside the farebox recovery ratio calculation. If included within the fiscal audit, the auditor must be familiar with relevant portions of the TDA legislation, including PUC 99314.6, AB 90, and AB 149. If included as part of the TDA claims process, Lake APC may need to add a worksheet to the claim form showing compliance with one or both tests was calculated.

Two STA efficiency tests are conducted. The first compares operating cost per vehicle service hour for the two most recent audited fiscal years, adjusted by the change in CPI. The use of audited data means the years used are two years behind the project year (e.g., FY 2016 and FY 2017 for the FY 2019 STA claim). The second test compares the averages for two three-year periods, adjusted by the change in CPI (e.g., the FY 2014/FY 2015/FY 2016 average and the FY 2015/FY 2016/FY 2017 average). If the operator does not pass either test, then the amount available for operating purposes must be reduced by the lowest amount by which it does not pass the test. An example of the two tests is shown in Exhibit 7.1. In the exhibit, the operator passes the first test (indicated by the negative percentage) but not the second.

If the operator does not pass either test, then the amount of STA funds eligible to be used for operating purposes must be reduced by the lowest percentage by which the operator does not pass. That amount must be reserved for capital purposes.



Use data from the Bureau of Labor Statistics to calculate the change in CPI separately for each efficiency test. The BLS provides data for half-years, which can be averaged so that the CPI for a given year is representative of the fiscal year. Alternately, the CPI for the calendar year can be used, provided the same “definition” of CPI (either calendar year or fiscal year) is used for both efficiency tests.

For the one-year calculation, simply calculate the change in CPI between the two years. This example would calculate STA efficiency for a FY 2018/19 claim, using CPI data and audited operating cost and vehicle service hour data for 2016 and 2017.

2017 CPI = 251.137  
2016 CPI = 245.255  
Change = 5.882  
Percent change = 2.40%

For the three-year calculation, find the average CPI for the period 2015 through 2017 as well as the average CPI for the period 2014 through 2016, then calculate the change in CPI between the two.

2015 CPI = 241.418	2014 CPI = 237.960
2016 CPI = 245.255	2015 CPI = 241.418
2017 CPI = 251.137	2016 CPI = 245.255
Average = 245.937	Average = 241.544
Change = 4.392	
Percent change = 1.82%	

**Timeline:** FY 2023/24 (STA eligibility for operations use has been waived through FY 2022/23 per AB 149).

**Anticipated Cost:** None.



Exhibit 7.1 STA Calculation Worksheet

Operator's STA Qualifying Criteria (99314.6) - Worksheet		FY 2018/19			
FISCAL YEAR (Audited Data)	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	
A. Operating Cost	\$2,606,352	\$2,864,977	\$2,764,030	\$2,916,152	
B. Operating Cost Exclusions: Depreciation (if not already excluded)					
C. Adjusted Operating Cost (A-B)	\$2,606,352	\$2,864,977	\$2,764,030	\$2,916,152	
D. Revenue Vehicle Hours (RVH)	40628	43774	41486	43487	
E. RVH Exclusions: (add sheets if required)					
F. Adjusted RVH (D-E)	40628	43774	41486	43487	
G. Operating Cost per RVH (C/F)	\$64.15	\$65.45	\$66.63	\$67.06	
I. Operating Cost per RVH	\$64.15	\$65.45	\$66.63	\$67.06	
	W	X	Y	Z	
H. % Change in CPI				2.84%	
% Change in CPI 3 prior years (change in annual CPI between first year of first fiscal year and last year of last fiscal year)	3.12%				
<b>Efficiency Standard 1:</b>					
Z must be less than or equal to (Y)*(CPI%) [CPI% = average percentage change in the CPI%]					
	Z =	\$67.06	Difference:	-\$1.46	
	Y =	\$66.63	Percentage:	-2.13%	
	[Y + Y * (CPI)] =	\$68.52			
<b>Efficiency Standard 2:</b>					
[(X + Y + Z) / 3] must be less than or equal to [(W + X + Y) / 3] (3-year CPI%)					
	[(X + Y + Z) / 3] =	\$66.38	Difference:	-\$1.07	
	[(W + X + Y) / 3] =	\$65.41	Percentage:	-1.59%	
	[(W + X + Y) / 3] + [(W + X + Y) / 3]*CPI =	\$67.45			
<b>For RTPA Use Only</b>					
Operator qualifies under:					
Standard 1:	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Standard 2:	<input type="checkbox"/> Yes		<input type="checkbox"/> No		



**Additional Recommendation**

While not associated with a finding, the audit team has identified one additional recommendation for Lake APC regarding the new CTSA, Lake Links, which receives TDA funding under Article 4.5. While a TDA Triennial Performance Audit is not required for a CTSA, it is useful to include the operator in the audit process so as to provide regular monitoring of performance and productivity, as well as TDA compliance.

**Recommendation:** Include an audit of Lake Links in the next round of TDA Triennial Performance Audits.

**Recommended Action:** Lake Links began receiving TDA funding under Article 4.5 during the current audit period. Therefore, it is recommended Lake APC begin including the operator in its Triennial Performance Audit process. Compliance with the TDA will need to take into account Lake Links is a CTSA, not an Article 4 recipient, so not all of the standard compliance items will apply. The next auditor should be mindful of this when preparing Lake Links’ audit.

**Timeline:** FY 2024/25.

**Anticipated Cost:** Modest.

Exhibit 7.2 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Develop a more formalized claims process that includes rules for Article 3 and Article 4.5 claims as well as a checklist for compliance, proposed budgets, STA efficiency tests, and a productivity review.	High	FY 2022/23
2	Ensure State Controller Reports are submitted within the established timeframe.	Medium	FY 2021/22
3	Work with fiscal auditors to ensure future LTA audits are completed within the established timeframe for transit operators.	Medium	None
Functional Recommendations		Importance	Timeline
1	Conduct STA efficiency tests to determine LTA’s eligibility to use STA funds for operating purposes.	High	FY 2023/24
Additional Recommendations		Importance	Timeline
1	Include an audit of Lake Links in the next round of TDA Triennial Performance Audits.	Medium	FY 2024/25



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