May 4, 2026

Triennial Performance Audit

FY-2022-23, 2023-24, 2024-25

TUOLUMNE COUNTY TRANSPORTATION COUNCIL

Tuolumne County Transportation Council

Final

TRANSPORTATION CONSULTANTS, INC.

LSC Transportation Consultants, Inc.

Triennial Performance Audit
for

Tuolumne County Transportation Council

FY - 2022-23, 2023-24, 2024-25

Final

Prepared for the
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EXECUTIVE SUMMARY

The California Public Utilities Code Section 99246 requires that Regional Transportation Planning Agencies (RTPAs), such as the Tuolumne County Transportation Council (TCTC), conduct Triennial Performance Audits (TPAs) of both their own activities and those of their associated transit operators. The primary objective of a TPA is to provide the TCTC with an independent and objective evaluation of its effectiveness, efficiency, and economy in its role as the RTPA for Tuolumne County.

This audit report covers Fiscal Years (FY) 2022-23 through FY 2024-25, and was conducted by LSC Transportation Consultants, Inc. Data collection, initial review, and on-site interviews were conducted in 2025. The audit process follows guidelines outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* developed by Caltrans (2008).

BACKGROUND

Tuolumne County is a rural county located on the Western slope of the Sierra Nevada that includes the incorporated city of Sonora and encompasses part of Yosemite National Park. According to the 2024 US Census American Community Survey, the Tuolumne County population is 53,893.

The TCTC is the designated RTPA for the Tuolumne County region. Among other transportation planning responsibilities, one of TCTC's roles is to allocate TDA funding in accordance with state statutes. TCTC is composed of two members from the County Board of Supervisors, two members from the Sonora City Council, and one citizen at large appointed by the other members. There is one public transit operator in Tuolumne County, the Tuolumne County Transportation Agency (TCTA).

ORGANIZATION OF TRIENNIAL PERFORMANCE AUDIT REPORT

The following TPA report provides the following:

- Review of TCTC compliance with certain TDA regulations that relate to RTPA performance.
- The status of prior audit recommendations.
- Detailed review of TCTC functions to determine if there are inefficiencies or areas for improvement.
- Findings and recommendations.

FINDINGS

- TCTC has complied with the requirements listed in the TDA and other statutes related to performance as identified in the *Performance Audit Guidebook,* with the following exceptions:
    - On-time submittal of Fiscal and Compliance Audits for the RTPA and the transit operator for all fiscal years.
- LTF allocations were made in compliance with PUC 99233.3, with 2 percent of LTF being allocated to bicycle and pedestrian facilities.
- During the audit period, TCTC allocated regional transportation funding for a variety of projects to improve all types of transportation facilities, which met the overall goals and objectives of the agency.

- TCTC continues to excel as an RTPA in commissioning transportation planning studies and securing grant funding to improve all types of transportation conditions for the region. Examples include obtaining both FTA 5310 and FTA 5311 grants to help fund a Mobility Manager position.
- There is a good and productive working relationship between TCTC/TCTA and the transit contractor.

RECOMMENDATIONS

The auditor has the following recommendations that relate to the TDA. Recommendations are discussed in further detail in Section 3.

Recommendation 1: Continue efforts to procure permanently separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTC accounting data and to help ensure timely completion of Fiscal and Compliance Audits.

Recommendation 2: Consider changing the TDA claims process used in Tuolumne County to reflect best practices for LTF allocations.

Section 1
INTRODUCTION

BACKGROUND

This TPA has been prepared in compliance with the requirements of California PUC Section 99246, which requires that TCTC conduct a performance audit of its activities every three years. The primary objective of this audit is to provide TCTC with an independent and objective evaluation of its performance as it relates to responsibilities in its role as the RTPA for Tuolumne County.

This audit evaluates the operations of TCTC in terms of efficiency, effectiveness, economy, and results. In addition, this audit includes a review of TCTC's implementation of recommendations that were contained in the previous Audit report, completed in 2023 for the previous audit period, FY 2019-20 through FY 2021-22. This current audit covers the three-year period from FY 2022-23 through FY 2024-25. Finally, this audit includes a discussion of the various functions and duties of TCTC, based on interviews with staff.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

This Audit was prepared in the following steps:

- A review of pertinent documents, including the Regional Transportation Plan, transit plans, annual Overall Work Programs (OWPs), State Controller's Reports, and TCTC agendas, minutes, and supporting staff reports.
- On-site discussions with the TCTC Executive Director, Senior Administrative Analyst, and Transit Planner.
- Review of prior TPA recommendations.
- Review of the requirements of the Public Utilities Code, Administrative Code, and other appropriate statutes, followed by an assessment of TCTC's compliance with the specified requirements.

REGIONAL TRANSPORTATION PLANNING AGENCY (RTPA) DESCRIPTION

Tuolumne County is centrally located within California's historic Gold Country, bordered by Stanislaus County to the west, Calaveras County to the north, Mono County to the east, and Mariposa County to the south. The nearest major urban centers—Modesto and Stockton—are situated approximately 50 to 60 miles west of the county. Key transportation corridors include State Route (SR) 49, which runs north-south, and SR 108, the primary east-west route. Public transit services are provided by TCTA. Regional transportation planning is overseen by the TCTC, the designated RTPA for the area, encompassing the incorporated city of Sonora.

As the designated RTPA, TCTC's role is to:

- Allocate transportation funding, such as TDA funds;
- Review public transit performance;
- Prepare and adopt a Regional Transportation Plan and a Regional Transportation Improvement Plan;

- Outline regional planning efforts to improve mobility for the region; and
- Provide direction to state, federal, and local decision makers regarding transportation planning.

The TCTC board is composed of two appointed members from the County Board of Supervisors, two members from the Sonora City Council, and one citizen at large appointed by the other members. The TCTC Board is served by three advisory committees: the Technical Advisory Committee (TAC), the Citizens' Advisory Committee (CAC), and the Social Services Transportation Advisory Council (SSTAC). The TAC includes representatives from City and County staff, Caltrans, California Highway Patrol (CHP), and Native American entities. The TAC provides technical input to the Board on a wide range of transportation issues. The CAC includes eight members with staggered four-year terms: two members appointed by the Sonora City Council and six members appointed by the County Board of Supervisors. The CAC provides input directly to TCTC on all matters pertaining to the regional transportation system. The primary role of the SSTAC is to provide advice on public transit services for Tuolumne County residents and to advocate for the elderly and disabled. The SSTAC is made up of representatives of various transit-dependent subsections of the community.

Section 2
TRIENNIAL PERFORMANCE AUDIT RESULTS

REVIEW OF COMPLIANCE REQUIREMENTS

Below is a discussion of TCTC's compliance with sections of the Public Utilities Code (PUC) which relate to transit performance, as recommended in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*. Table 1 displays the results of the compliance analysis:

1. In accordance with Public Utilities Code Section (PUC) 99231, the TCTC allows no transportation operators and city or county governments which have responsibility for serving a given area to claim, in total, more than the Local Transportation Fund (LTF) monies apportioned to that area. The TCTC annually adopts a resolution approving LTF allocations. The TDA allocation process is clearly outlined in the TCTC Organizations and Procedures Manual; however, recommendations have been made in this TPA to conform current processes with best practices.
2. In reference to PUC 99233 and 99234 (LTF claims for bicycle and pedestrian facilities), TCTC has developed detailed rules and guidelines for LTF claims for bicycle and pedestrian facilities. During the audit period, the appropriate percentage (2 percent) was allocated.
3. In accordance with Public Utilities Code Sections 99238, TCTC has established an SSTAC. The SSTAC meets quarterly. While TCTC actively recruits members for the SSTAC, it has been challenging to fill all vacancies. TCTC conducts public hearings as required by PUC 99238.5 to obtain input on transit needs in its jurisdiction for each year of the audit period.
4. In accordance with Public Utilities Code Section 99244, the TCTA has annually identified, analyzed, and recommended potential transit productivity improvements that could lower the operating cost of those transit operators that operate at least 50 percent of their vehicle service miles within its jurisdiction. As there is only one transit operator in the region, TCTC and the transit operator share the same administrative staff. TCTC/TCTA staff are continually reviewing potential service adjustments to maintain farebox ratio standards. The TCTC Board places a high priority on the cost-effectiveness of services.
5. Per Public Utilities Code Section 99245, the TCTC must ensure that all claimants to whom it allocates TDA funds submit to it and to the State Controller an annual certified Fiscal and Compliance Audit within 180 days after the end of the fiscal year unless a 90-day extension is granted. At the time of this writing, none of the fiscal audits for this audit period have been completed. Despite concerted efforts of TCTC staff, completing the Fiscal Audit within the required deadline remains a severe challenge in Tuolumne County. Due to repeated and severe tardiness of submission of Fiscal and Compliance Audits that stretches into the previous audit period, Caltrans began withholding STA funds from TCTC/TCTA beginning in FY 2020-21. At the time of writing, TCTC/TCTA staff are working with an outside consultant to rectify previous delinquencies in reporting and bring TCTC/TCTA into compliance in regard to Fiscal and Compliance Audits. To date, audits for FY 2019-20 and FY 2020-21 have been submitted to the State Controller's Office, and State Transit Assistance for those years is expected to be released in the near future. A related recommendation has been made by the auditor.

Table 1: RTPA Compliance Requirements - Tuolumne County Transportation Council

	Requirement	PUC Reference	In Compliance? Yes	No	Notes
(1)	All operators and city or county governments, in total, claim no more than those LTF monies apportioned to that area.	99231	x		
(2)	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.	99233, 99234	x		
(3)	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.	99238, 99238.5	x		
(4)	The RTPA has annually identified, analyzed and recommended potential productivity improvements which could lower operating cost of those operators.	99244	x		
(5)	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.	99245		x	FY 2022-23 - Unavailable FY 2023-24 - Unavailable FY 2024-25 - Unavailable
(6)	The RTPA has designated an independent entity to conduct a performance audit of operators and itself. The operator audit included calculation of performance indicators and was transmitted within 12 months. If not transmitted, TDA funds were not allocated to the operator.	99246, 99248	x		
(7)	The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation.	99246 c	x		
(8)	The performance audit of the operator includes verification of performance indicators and includes consideration of the needs and types of passengers being served, employment of part-time drivers and contracting with common carriers.	99246 d	x		
(9)	The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and non- urbanized areas.	99270.1, 99270.2	NA		
(10)	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.	99275.5	NA		
(11)	State transit assistance funds received by the RTPA allocated only for transportation planning and mass transportation purposes.	99310.5, 99313.3, Proposition 116	x		
(12)	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 Controllers Office.	99314.3	x		
(13)	If TDA funds are allocated for streets and road purposes, the RTPA has annually: Consulted with the SSTAC, identified transit needs, adopted or re-affirmed the definition of "unmet transit needs" and "reasonable to meet", identified the unmet needs or there are no unmet transit needs, or there are unmet transit needs that are reasonable to meet.	99401.5	x		
(14)	The RTPA has caused a fiscal audit to be performed each year and submit the audit report to the state controller within 12 months of the end of the fiscal year.	6662		x	FY 2022-23- Unavailable FY 2023-24 - Unavailable FY 2024-25 - Unavailable

6. But TCTC In accordance with Public Utilities Code Sections 99246 and 99248, the TCTC has herein designated an independent entity to conduct a performance audit of operators and itself (for the current and previous TPA periods). LSC Transportation Consultants, Inc. performed the performance audit for the prior three-year period. The prior performance audits addressed all elements indicated in the *Performance Audit Guidebook*.

7. In accordance with Public Utilities Code Section 99246(c), the TCTC has submitted a copy of its TPA to the Director of the California Department of Transportation and certified in writing that the performance audit of Tuolumne County Transit was completed.
8. In accordance with Public Utilities Code Section 99246(d), the performance audit of TCTA (under separate cover) includes a verification of the operator's cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit also includes consideration of the needs and types of passengers being served, 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.
9. As Tuolumne County does not include an urbanized area, PUC 99270.1 and 99270.2 are not applicable to TCTC.
10. TCTC does not receive any claims for TDA funds under Article 4.5; therefore, TCTC has not adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA (as permitted under Public Utilities Code Section 99275.5). TCTC follows procedures for TDA claims identified in the statutes. Should there be TDA claims filed under Article 4.5, TCTC should adopt rules for the evaluation of claims and the determination of the cost-effectiveness of the proposed community transit services.
11. In accordance with Public Utilities Code Sections 99310.5 and 99313.3 and Proposition 116, State Transit Assistance (STA) funds received by the TCTC are only to be allocated for transit planning, transit capital projects, and transit operations. While the auditor finds TCTC to be in compliance, it is important to note that during this audit period, STA funds were withheld due to the failure to submit Fiscal and Compliance Audits.
12. The amount of STA funds received by the TCTC pursuant to the Public Utilities Code Section 9314.3 is allocated to the transit operator in the area as allocated by the State Controller's Office. There is only one transit operator within TCTC's jurisdiction.
13. According to Public Utilities Code Section 99401.5, if TDA funds are allocated to purposes not related to public or specialized transportation services or facilities for exclusive use of pedestrians and bicycles, the TCTC is annually required to:
    - Consult with the SSTAC established pursuant to Public Utilities Code Section 99238,
    - Identify transit needs, including groups who 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 services,
    - Adopt or reaffirm a definition of "unmet transit needs" and "reasonable to meet",
    - Identify the unmet transit needs and those needs that are reasonable to meet, and
    - Adopt a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs, including needs that are reasonable to meet.

    If a finding is adopted that there are unmet transit needs, these needs must be funded before an allocation is made through Article 8 for streets and roads.

TCTC made the above-noted findings and consulted with the SSTAC each year of the audit period prior to allocating TDA funds for streets and roads purposes.

14. In accordance with California Code of Regulations (CCR) Section 6662, TCTC has had the intention to conduct a Fiscal and Compliance Audit of its accounts and records for each year of the audit period by a certified public accountant. Fiscal and compliance audits have not been completed at the time of this writing. Therefore, TCTC is not in compliance with CCR Section 6662.

    It is important that audits are performed in accordance with the Basic Audit Program and Report Guidelines for the California Special Districts prescribed by the State Controller. The audits should include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements should not commingle with the STA fund, the LTF, or other revenues or funds of any city, county, or other agency. The TCTC maintains fiscal and accounting records and supporting papers for at least five years following the fiscal year's close. TCTC/TCTA staff have made a concerted effort to obtain fiscal documents and annual fiscal data from the County Auditor for the purpose of preparing the required audits.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants, Inc. in 2023. The two recommendations from that effort are summarized below.

Recommendation 1: Revise the TCTC 2023 Transportation Development Act Procedures Guide to identify the correct allowable allocation percentage for Article 3 funds per PUC 99233.3. Going forward, TCTC should only allocate two percent of LTF to bicycle and pedestrian projects after allocations for administration and planning have been made.

Implementation Complete: This recommendation has since been implemented.

Recommendation 2: Procure separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTA/TCTC accounting data. This will help to ensure the timely submittal of Fiscal and Compliance Audits (a requirement of TDA).

Implementation In Progress: TCTC staff are acutely aware that the timely submittal of Fiscal and Compliance Audits is critical to receiving TDA funding and continue to explore alternative solutions to the current system. During this audit period, staff attempted to be more involved in the audit submittal process in order to ensure that the County Auditor met the required timeline for submittal; however, this proved ineffective. TCTC has since hired an external, independent audit firm to complete audits and an external accounting firm to prepare financial statements for the audits. TCTC has also engaged an independent Certified Public Accountant to make recommendations for policies and procedures that will ensure TCTC remains in compliance.

DETAILED REVIEW OF TCTC FUNCTIONS

TCTC staff have been successful in accomplishing objectives and implementing transportation improvement projects. During the audit period, the TCTC Governing Board was composed of capable and knowledgeable officials who met regularly and conducted themselves with efficiency and civility to determine transportation planning and funding policies.

This section presents a review of the various functions of TCTC. TCTC's functions can be divided into the following areas:

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

Administration and Management

This functional review focuses on internal management of the organization.

General Administration

The TCTC Board meets on the second Wednesday of every month at the County Board of Supervisors Chamber in Sonora. Agenda materials are available to Board members at least 72 hours in advance. Meetings can be attended either in person or virtually. The TCTC does a good job of posting meeting minutes and attachments on its website for public review. The Commission dealt with a long list of key documents and funding decisions during the Audit period, including all of those required or suggested by state law and good RTPA practices.

The TCTC processes TDA claims in an accurate and timely manner, particularly as TCTC and TCTA share the same staff. TCTC staff work with City and County staff to prepare paperwork. The TCTC adopts a resolution approving claims and directing the County Auditor to allocate funds before the end of the fiscal year. Claims are scheduled to be paid monthly.

TCTC maintains a structured system for filing and retaining key plans and documents, in accordance with its Record Keeping Policy and Retention Schedule. Electronic files are maintained on the server and in their online "cloud-based" system backup. Depending on the type of plan, documents are generally kept in the archives for a minimum of five years, with many, such as resolutions and meeting minutes, kept permanently in both hard copy and electronic format.

Internal Planning and Achievements

In terms of internal planning, the TCTC has set forth clear goals and objectives in the Strategic Plan, OWP, and Regional Transportation Plan. The TCTC does a good job of completing tasks identified in the OWP. Further, the tasks set forth in the OWP are realistic and reflect the needs and issues in the Tuolumne County region. The TCTC has been successful in obtaining discretionary funding, such as Strategic Planning Grants and Active Transportation Planning grants, to facilitate projects which will strengthen the relationship between land use and transportation planning.

During the completion of this audit, TCTC hosted a Strategic Planning Workshop to update the vision of the 2021 TCTC and TCTA Strategic Plan. Through the workshop, the following three focus areas were identified as high priority for the TCTC:

- Roadway System Preservation
- Emergency Access, Evacuation, and System Reliance
- Local Road Safety and Traffic Safety Improvements

Governing Board Activities

The TCTC Board has good access to clear and concise information on which to make informed decisions about transportation funding. There appears to be good communication between staff and the Board. According to Board and Committee Members, the commission has undertaken a wide variety of planning efforts to address regional and state goals and objectives. Past examples include the Zero Emission Vehicle Readiness Plan and a Traffic Analysis for Vehicle Miles Travelled (VMT) impacts study. During this audit period, the TCTC Board worked on the Greenley Road Extension Project, the Tuolumne County Evacuation Needs Assessment and Communication Strategies Study, and the Jamestown Safe, Healthy, and Equitable Streets Improvement Project. Meeting attendance and participation from the board is strong.

Personnel

TCTC/TCTA staff has generally consisted of an Executive Director, Assistant to the Executive Director, Senior Administrative Analyst, a Transit Planner, and a Transportation Planner (I/II). Other than a new Executive Director appointed in December 2024, TCTC had little staff turnover during the audit period and has actively worked to create promotion opportunities for current employees through the creation of expanded job series. During this audit period, TCTA continued to secure an FTA 5310 grant to partly fund the Transportation Specialist position. Each staff member's time is allocated between RTPA and transit operator duties, with each staffer focusing on different specialties. The allocation of staff time to TCTC and TCTA has continued to shift slightly during this audit period to reflect the increase in time required to properly conduct transit administrative and accounting functions.

The Executive Director periodically reviews job descriptions for each staff member in relation to actual duties performed. Different staff members focus on different projects in the OWP and meet with the Executive Director to discuss projects weekly. Given the work accomplished, the level of staffing is appropriate.

Staff members are offered the same health and retirement benefits as Tuolumne County employees, such as CalPERS. TCTC currently has its own CalPERS contract. The TCTC staff members are offered the opportunity to expand their professional knowledge by attending conferences and management training. Performance reviews are generally conducted annually.

Transportation Planning and Regional Coordination

This functional area covers one of the two major RTPA responsibilities: transportation planning in a regional context and fiscal management.

Regional Transportation Planning

The most recent update of the Tuolumne County Regional Transportation Plan (RTP) was adopted in March 2025. The public outreach activities included RTP stakeholders, Native American Tribes, private sector entities, and natural resource agencies. Overall, the RTP sets forth clear goals and cost estimates for transportation in the region.

The RTP includes all elements required under state guidelines, including: an overview of demographics, description of existing transportation facilities, discussion of regional issues, projection of future transportation conditions, and a financially constrained and unconstrained plan for addressing those issues. TCTC sets forth five regional goals relating to safety, economics, land use, environmental stewardship, and public outreach. Each goal included a set of specific performance measures. Similar to the previous audit period, the updated RTP includes an analysis of funding alternatives to address the shortfall in State Transportation Improvement Program (STIP) funds and the difficulty for rural counties to obtain funding for non-motorized facilities (active transportation planning).

TCTC maintains and operates the Tuolumne County Travel Demand Forecasting Model, which was used for much of the traffic analysis portion of the 2024 RTP. The model was updated in 2017 to consider Vehicle Miles Traveled (VMTs) in accordance with SB 743.

The TCTC completed a Tuolumne County Evacuation Needs Assessment and Communication Strategies study in 2023, which included the identification of specific strategies to improve roadway capacity in the event of an evacuation.

Regional Coordination

The TCTC is also involved with other regional planning efforts which have an impact on transportation in Tuolumne County. TCTC is a member of the Rural Counties Task Force, which was established as a joint partnership between the California Transportation Commission and rural counties in California as a way to provide rural counties with information and a voice for statewide transportation policies. The TCTC Executive Director also participates in the California Association of Councils of Governments (CALCOG) and a larger group meeting of statewide RTPAs and Metropolitan Planning Organizations (MPOs).

Amador, Calaveras, and Tuolumne counties are especially connected through their public transit services, and all travel along the SR 49 corridor. As such, the counties often work closely together and have in the past jointly prepared grant applications.

As a gateway county to Yosemite National Park, Tuolumne County is also a member of the Yosemite Area Regional Transit System (YARTS). In FY 2020-21, TCTC/TCTA became a voting member of YARTS, a significant change from previous audit periods. As a voting member, the TCTC/TCTA Transportation Specialist participates in advisory committee meetings, and two Board of Supervisors members are voting members of the YARTS board. As a voting member, TCTC/TCTA also pays $67,000 annually in dues.

The County and the City have had traffic mitigation fee programs in place since 1998. The programs are designed to offset the cost of roadway improvements resulting from new development. TCTC is working with the local agencies to update the Traffic Impact Fee programs to be more reflective of state climate change goals. In particular, the update is considering shifting the focus of the program from projects which mitigate capacity-increasing issues to projects which will reduce VMT.

A review of the OWP shows that the TCTC work elements include all plans and processes for which RTPA's are responsible.

Information Generation and Distribution

Over the years, TCTC has worked with County GIS staff to develop mapping tools for better analysis of the regional transportation system. TCTC is aware of and up to date on transportation service levels and issues in the region and coordinates with the Community Development Department. The management team at the County frequently involves TCTC staff early in the development approval process to provide input on mitigation measures and work with traffic consultants.

Claimant Relationship and Oversight

This functional area includes interactions between the transit operator and the RTPA, both required and otherwise. As the RTPA and transit operator share administrative staff, Tuolumne County has a somewhat unique relationship between the RTPA and transit operator. TCTA employs a transit contractor to perform operations and maintenance of the transit system, and there appears to be a strong relationship between TCTA and the contractor, Storer Transit Systems.

The TCTC Executive Director meets on-site with contractor staff periodically to discuss operations and any pertinent issues. Phone or email discussions are more frequent. According to staff, the contractor has been responsive to requests for changes in service. Overall, TCTC has an appropriate level of oversight of the transit operator.

Productivity Committee Functions

While TCTA does not have a specific performance committee, the TCTC SSTAC, TAC, and CAC are important advisory committees for both the TCTC and TCTA. The SSTAC meets quarterly (beyond the annual requirement of the TDA) to discuss unmet transit needs or other transit-related issues. The TAC and CAC meet simultaneously each month, one week prior to the TCTC/TCTA Board meetings.

Technical and Managerial Assistance to Operators/ Communication of TDA

In terms of communication of TDA requirements, TCTC/TCTA has been proactive in providing transit operator staff with the information needed to comply with TDA. This is evident in the accurate recording of operating statistics such as vehicle service miles and hours.

Reports and Information/TDA Processing

During the Audit period, the TCTC commissioned fiscal and compliance audits from an independent auditor for the TCTC and TCTA. No fiscal and compliance audits were completed during this audit period, as the County Auditor's Office is responsible for engaging the external auditor in preparing TCTC financial statements for audit. The County Auditor's office has failed to do as such. TCTC/TCTA staff are acutely aware of this issue and are actively seeking an alternative solution that will ensure that mandatory reports are completed on time and made available when requested. This performance audit provides a recommendation on this topic to further process this matter. Available state controller reports and internal performance reports of the transit operator attest that TDA funds were expended in conformance with most applicable laws, regulations, allocation instructions, and resolutions of the TCTC.

There appears to be no major issues in terms of processing TDA claims.

Marketing and Transportation Alternatives

Most of the marketing efforts for transit services in Tuolumne County are performed by TCTA/TCTC staff with assistance from the transit contractor. Comments and complaints regarding public transit are typically received through the TCTA/TCTC website and read by the TCTA Transit Planner. Any comments received directly by the contractor are reported to TCTA in the monthly report. A review of written complaints and discussion with the transit operator does not indicate a consistent issue which could easily be remedied.

The TCTC is quite involved in alternative transportation planning efforts, as evidenced by the number of non-motorized facility projects recently implemented in the region. The TCTC website also has an informative section on walking, hiking, and biking paths under the Active Transportation heading, as well as information on opportunities to help with trail work. By all accounts, the TCTC has a strong public information process in place. The TCTC website lists some completed plans and studies along with an archive of Commission meeting minutes. Examples of transportation planning studies conducted by TCTC include the Central Sierra Zero Emission Vehicle Readiness Plan, the Bicycle Tourism Plan, and the SR 49 Jamestown to Columbia Street Corridor Study.

Grant Applications and Management

There is only one transit operator in the county (TCTA), which shares the same staff as TCTC. Grant applications at TCTC are often prepared as a team by multiple TCTC staff, each focusing on their specialty.

During the Audit period, no state or federal grant applications were denied in Tuolumne County due to errors or omissions. TCTC has been successful in obtaining discretionary grant funding, such as Active Transportation Planning grant funding, as well as LCTOP, CARES Act, and FTA funding. The TCTC staff has also been effective in distributing grants. Staff are continually looking for new, recurring, or discretionary grant opportunities to help fund all the projects and work elements in the OWP.

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Section 3
CONCLUSIONS AND RECOMMENDATIONS

Overall, TCTC is managed and operated in an effective, efficient, and economical manner. TCTC effectively fulfills its role as the RTPA for Tuolumne County.

The following describes the auditor's findings and recommendations:

FINDINGS

- The TCTC has complied with the requirements listed in the TDA and other statutes related to performance as identified in the *Performance Audit Guidebook,* with the following exceptions:
    - On-time submittal of Fiscal and Compliance Audits for the RTPA and the transit operator for all fiscal years.
- LTF allocations were made in compliance with PUC 99233.3, with 2 percent of LTF being allocated to bicycle and pedestrian facilities.
- During the audit period, TCTC allocated regional transportation funding for a variety of projects to improve all types of transportation facilities, which met the overall goals and objectives of the agency.
- TCTC continues to excel as an RTPA in commissioning transportation planning studies and securing grant funding to improve all types of transportation conditions for the region. Examples include obtaining both FTA 5310 and FTA 5311 grants to help fund a Mobility Manager position.
- There is a good and productive working relationship between TCTC/TCTA and the transit contractor.

RECOMMENDATIONS

The auditor has the following recommendations that relate to the TDA.

Recommendation 1: Continue efforts to procure permanently separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTC accounting data and to help ensure timely completion of Fiscal and Compliance Audits.

As noted throughout this report, Fiscal and Compliance Audits have not been completed over the previous and existing audit period because the Fiscal Auditor is unable to obtain financial data from the County Auditor. TCTC and TCTA staff are not the keepers of this information and can only act as the middleperson between the Auditor's office and the Fiscal Auditor. The Tuolumne County Auditor has many responsibilities as the position oversees financial books for all county departments in addition to providing accounting services for TCTC and TCTA. In rural areas, county auditors are often understaffed, and public transit is not always the top concern.

Chronic failure to complete Fiscal and Compliance Audits in a timely manner has led to the withholding of STA funds from TCTA by Caltrans beginning in FY 2020-21. In the past, TCTA has been allocated anywhere from $400,000 to $650,000 STA funds each year. In total, at least $2 million in STA funds have been withheld from TCTA. These funds can be used for both operating and capital purposes. With a smaller amount of revenue available in the transit budget going forward, TCTA will attempt to make up the difference by claiming a larger amount of LTF funds. This, in turn, will leave less LTF funds available for streets and roads purposes, assuming there are no unmet transit needs reasonable to meet. In FY 2023-24, Tuolumne County received $530,000 in LTF funds for streets and roads purposes, and the City of Sonora received just under $50,000. At a time of rising costs, this reduction in funding is a concern.

As of FY 2025-26, TCTC and TCTA staff are actively working with an external accounting and fiscal auditing firm to complete delinquent fiscal audits. It is anticipated that the oldest delinquent audit will be submitted by Summer 2026. From there, the audits will continue to be submitted in chronological order until they are caught up to the present fiscal year.

Due to this long-unresolved and financially harmful issue, TCTC should permanently procure separate accounting services outside of the County Auditor. Other RTPAs have found that contracting with a private accounting firm to provide accounting services can be more reliable through reducing delays associated with reporting to the State Controller and for Fiscal and Compliance Audit purposes. This scenario could also allow TCTA to have greater access to financial information and, therefore, a better understanding of what funds are actually available for use.

Recommendation 2: Consider changing the TDA claims process used in Tuolumne County to reflect best practices for LTF allocations.

While it is the role of the Fiscal Auditor to determine fiscal compliance with TDA, it is appropriate for the performance auditor to make recommendations pertaining to LTF allocation best practices. While it appears that the current TDA claims process used by TCTC, TCTA, Tuolumne County, and the City of Sonora is in compliance with TDA rules and regulations in practice, the way the process is being executed on paper is unusual and not considered best practice by the performance auditor, specifically in the following areas:

- LTF funds that ultimately go to TCTA for transit operations or capital expenditures are first claimed on paper by the City and County under Article 8 (PUC 99400) through a resolution put before the TCTC Board and then redirected back to TCTA.
- TCTA does not claim LTF funds under Article 4 as a transit operator and is not a designated transit operator per the 2023 TCTC TDA Procedures Guide. This is in spite of the 2011 amendment to the TCTC Joint Powers Agreement to transfer responsibility of public transit to the TCTA.

As the RTPA is designated to oversee the TDA claims process, TCTC should consider implementing the following best practices for TDA Claims:

1. TCTC should follow the LTF allocation process outlined in pages 18-19 of the *TDA Statutes and California Code of Regulations (2018)*. This table has been included as Appendix A for ease of reference. While in practice, it appears that TCTC correctly allocates funding in the priority order outlined herein, the documentation of the LTF allocation process (e.g., each fiscal year's LTF and STA Estimates) should also follow this order.
2. TCTA should submit a TDA claim for transit operations under Article 4 (PUC 99233.8). As needed, TCTA should also submit a claim for special transportation assistance under Article 8 (PUC 99400(c)) and capital purchases (PUC 99400(e)). This would replace the County and City from claiming LTF funds under these articles for the purpose of funding TCTA operations. This change

to the TDA Claims process may necessitate an amendment to the JPA forming the TCTA (specifically, but not limited to Article III, Section 1, Paragraph C).

3. Under the current arrangement for transit operations, Tuolumne County and the City of Sonora should not submit an LTF claim for purposes related to TCTA transit operations and should only submit a claim for Pedestrian and/or Bicycle Facilities and (as allowed/available) Streets and Roads (PUC 99400(a)).
4. TCTC should develop and adopt a TDA claims packet template that each claimant will fill out and submit to TCTC.
5. TCTC should update and adopt an amended TDA Procedures Guide that designates TCTA as a transit operator within Tuolumne County.

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Appendix A
LOCAL TRANSPORTATION FUND ALLOCATIONS

The following shows the allocation process for LTF as identified on pages 18-19 of the *Transportation Development Act (TDA) Statutes and California Code of Regulations (2018)*. The following identifies the priority order which shall be followed in allocating LTF, allocation purpose, eligible claimants, any specifics on the amount available, and the corresponding PUC code that will provide further detail.

The Local Transportation Fund Allocations

Priority	PURPOSE	PUC SECTION	Eligible Claimants	Amount Available
1	TDA administration	99233.1	County Auditor & the TPA	As necessary
2	Planning & Programming	99233.2	El Dorado County TPA Monterey County TPA Metropolitan Transportation Com. Nevada County TPA Orange CTC Placer County TPA Riverside CTC San Bernardino CTC Santa Cruz County RTC Tahoe Regional Planning Agency	≤ 3% of revenues
		130050	Ventura CTC	≤ 2% of revenues
		130004	Los Angeles County Metropolitan Transportation Authority	≤ 1% of revenues
			Southern California Association of Governments	≤ ¾ of 1% & ≤ $1 million of revenues
3	Pedestrian & bicycle facilities	99233.3 99234	Cities & Counties	Countywide, 2% of remaining money
4	Rail passenger service operations & capital improvements	99233.4 99234.9	Cities, Counties, CTC's or Operators	≤ apportionment
5	Long-term planning	99233.5 (a)	San Diego Association of Governments	
	San Diego MTDB administrative & planning functions; construction & acquisition programs	99233.5 (b)	San Diego Metropolitan Transit Development Board	≤ 10% of remaining money for area of MTDB
6	Community Transit Services	Article 4.5, 99233.7	Cities, Counties, Operators & CTSA's	Countywide, ≤ 5% of remaining money

(Cont. on next page)

PRIORITY	PURPOSE	PUC SECTION	Eligible Claimants	Amount Available
7	Article 4-Public Transportation,	99233.8	Operators	≤ Area Apportionment
	Support of public transportation systems	99260(a) 99262	Operators	≤ Area Apportionment
	Aid to research & development projects	99260(b)	Operators	≤ Area Apportionment
	Grade separation projects	99260(c)	Operators	≤ Area Apportionment
	Peak hour service contract	99260.2(a)	Operators	≤ Area Apportionment
	Rail passenger ticket purchases	99260.2(b)	Transit Districts	≤ Area Apportionment
	Payments to railroad corporation	99260.5	Transit Districts, Cities, Counties	≤ Area Apportionment
	Rail passenger service	99260.6, 99234.9	Cities & Counties, CTC, Operators	≤ Area Apportionment
	Claims for separate service to elderly & elderly	99260.7	Cities & Counties with a Joint Power Agency agreement	≤ Area Apportionment
8	Article 8-Other Allocation	99233.9	Cities & Counties where not restricted	≤ Area Apportionment
	Local streets & roads; pedestrian & bicycle projects	99400(a), 99402, 99407	Cities & Counties where not restricted	≤ Area Apportionment
	Commuter ferry services		Cities within the County of San Diego	≤ Area Apportionment
	Rail Passenger service operations & capital improvements	99400(b)	Cities & Counties	≤ Area Apportionment
	Public or special group transportation service contract	99400 (c,d,e)	Transit Districts, Cities & Counties	≤ Area Apportionment
	Multimodal transportation terminal	99400.5	Cities & Counties	≤ Area Apportionment
	Express bus & van pool services	99400.6	County of San Diego	≤ Area Apportionment