Shasta Regional Transportation Agency (SRTA)

TDA Triennial Performance Audit of SRTA as the RTPA for FY 2021/22 - FY 2023/24

FINAL REPORT | APRIL 2025

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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Shasta Regional Transportation Agency (SRTA) covers a three-year period ending June 30, 2024. 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 2024, the Shasta Regional Transportation Agency 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 SRTA's programs for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

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 Pe*rformance 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 two exceptions, the Shasta Regional Transportation Agency adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. SRTA's FY 2021/22 and FY 2022/23 TDA fiscal audits were not completed within 12 months of the end of the fiscal year.

2. State Controller Financial Transaction Reports for FY 2021/22 and FY 2022/23 were submitted after the January 31 deadline.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included the following recommendations:

1. Consider including performance audits of the CTSA and any additional transit operations in Shasta County in future Triennial Performance Audit cycles.
   Status: No longer relevant.

2. Introduce more formal oversight of transit operator productivity through committee review.
   Status: Not implemented.

3. Ensure new farebox recovery ratio calculation considerations are taken into account when determining whether an unmet transit need is "reasonable to meet."
   Status: Implemented.

Goal Setting and Strategic Planning

The Shasta Regional Transportation Agency (SRTA) is the regional transportation planning agency for Shasta County. SRTA was established by state and federal law in 1972. Initially, SRTA was under the umbrella of the Shasta County Department of Public Works. In 2012, the Board approved SRTA being fully separate from Shasta County. SRTA's mission is to, "maximize state, federal, and other revenues for cost-effective transportation investment strategies that connect communities, people and goods."

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The Sustainable Communities Strategy (SCS) element, required under Senate Bill (SB) 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Shasta County meet state-required regional greenhouse gas reduction targets. The current Plan, which was adopted on December 14, 2023, recognizes the significant impact the transportation network has on the region's public health, mobility, and economic vitality.

Findings and Recommendations

Based on the current review, we submit the aforementioned two 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. SRTA did not implement one of its recommendations from the prior audit pertaining to operator productivity oversight.

In completing this Triennial Performance Audit, we submit the following recommendations for SRTA as the RTPA for Shasta County. 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 but are recommended for consideration as they enhance the effectiveness of the RTPA.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure fiscal audits are submitted within 12 months of the end of the fiscal year.	High	Ongoing
2	Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.	Medium	FY 2024/25
Functional Recommendations		**Importance**	**Timeline**
1	Include a productivity assessment as part of the TDA claim form.	Medium	FY 2025/26

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Shasta Regional Transportation Agency (SRTA) covers the three-year period ending June 30, 2024. The California Public Utilities Code (PUC) requires all Regional Transportation Planning Agencies (RTPA) conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2024, SRTA selected Moore & Associates, Inc., to prepare TPAs of itself as the RTPA and the one 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 TPA is designed to be an independent and objective evaluation of SRTA as the designated RTPA for Shasta County. Direct benefits of a TPA 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 TPA 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 Auditing Standards* published by the U.S. Comptroller General.

Objectives

A TPA 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 SRTA 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 SRTA'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 TPA of SRTA as the RTPA included thorough review of documents relevant to the scope of the review, as well as information contained on SRTA'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.

The methodology for this audit included a virtual site visit with SRTA representatives on November 6, 2024. The audit team met with Jessica Carlson (Chief Fiscal Officer) and Sean Tiedgen (Executive Director) 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 TPA 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 | Overview of SRTA

The Shasta Regional Transportation Agency (SRTA) is the regional transportation planning agency for Shasta County. SRTA was established by state and federal law in 1972. Initially, SRTA was under the umbrella of the Shasta County Department of Public Works. In 2012, the Board approved SRTA being fully separate from Shasta County. SRTA's mission is to, "maximize state, federal, and other revenues for cost-effective transportation investment strategies that connect communities, people and goods."

Roles

SRTA fulfills a number of different roles for its member jurisdictions (consisting of the cities of Anderson, Redding, and Shasta Lake; Shasta County; and the Redding Area Bus Authority). They include:

- State-designated Regional Transportation Planning Agency (RTPA), and
- Federally designated Metropolitan Planning Organization (MPO).

SRTA Board of Directors

SRTA is governed by a seven-member Board of Directors comprised of one representative each from the cities of Anderson, Redding, and Shasta Lake; one representative from the Redding Area Bus Authority (RABA); and three representatives from the Shasta County Board of Supervisors. During the audit period, the following individuals served as voting members of the Shasta Regional Transportation Agency:

- Joe Chimenti, County of Shasta (2021-2022)*
- Leonard Moty, County of Shasta (2021)
- Baron Browning, City of Anderson (2021-2022)
- Kristen Schreder, City of Redding (2021-2022)*
- Mary Rickert, County of Shasta (2021-2022)
- Mark Mezzano, City of Redding (2021-2024)*
- Greg Watkins, City of Shasta Lake (2021-2023)
- Patrick Jones, County of Shasta (2022-2024)*
- Tenessa Audette, City of Redding (2023-2024)*
- Mike Gallagher, City of Anderson (2023-2024)*
- Tim Garman, County of Shasta (2023-2024)
- Chris Kelstrom, County of Shasta (2023-2024)
- Tena Eisenbeisz, City of Shasta Lake (2024)
- Kevin Crye, County of Shasta (2024)
- Stan Neutze, City of Anderson (2023)

** Also served on the RABA Board.*

The SRTA Board of Directors has one subcommittee that provides additional oversight for specific topics:

Fiscal and Policy Committee
The Fiscal Committee is comprised of no fewer than two (2) Board members. Historically, this Committee has been the SRTA Board chair, the SRTA Board vice-chair, and one additional member. This standing committee provides management oversight related to SRTA financial operations, all policies, and human resource needs. The committee reviews recommendations from SRTA management, provides directions to the Executive Director, and recommend various actions for full consideration by the SRTA Board of Directors. Meetings are scheduled as needed or at least twice a year.

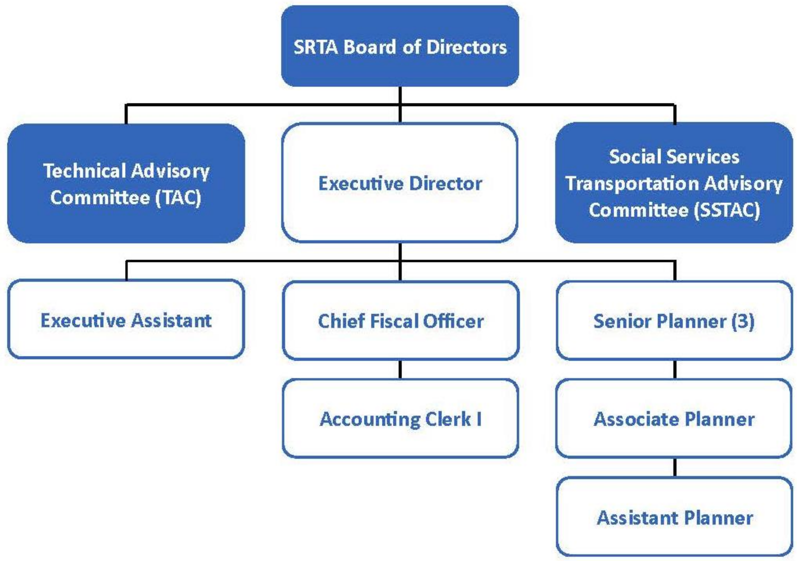
SRTA also has two advisory committees that include representatives from throughout Shasta County.

Social Services Transportation Advisory Council (SSTAC). The SSTAC advises the SRTA Board of Directors on transit-related issues for traditionally under-represented and underserved populations, including seniors, persons with disabilities, low-income individuals, and minority communities. It meets twice per year to participate in the TDA Article 8 "Unmet Needs Process," and provide recommendations for other transit coordination issues. SSTAC members are appointed by the SRTA Board of Directors and include representatives who are transit users, disabled, seniors, and social services providers. The SSTAC meetings are scheduled for mid-January and mid-April of each year, but can be more frequent if needed. Meetings are open to the public.

Technical Advisory Committee (TAC). The TAC provides technical expertise and recommendations to SRTA staff and the SRTA Board of Directors. The TAC is made up of two members each from the staff of Shasta County, the cities of Redding, Anderson and Shasta Lake, and one member each from the Redding Area Bus Authority, Redding Airports, Shasta County Air Quality Management District, Shasta Senior Nutrition Program, and Caltrans District 2. The TAC meets approximately two weeks prior to each SRTA board meeting to review agenda items and offer input prior to action by the SRTA Board of Directors. Meetings are open to the public.

Organization
Reporting directly to the SRTA Board of Directors is the Executive Director. An organizational chart is presented as Exhibit 3.1.

Exhibit 3.1 SRTA Organizational Chart



Goal setting and strategic planning

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range (20-year or more) transportation plan providing a vision for regional transportation investments. The current Plan, which was developed in 2022 and adopted in December 2023, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The SCS element, required under Senate Bill (SB) 375, demonstrates the integration of land-use, transportation strategies, and transportation investments that will help the Shasta County region meet state-mandated regional greenhouse gas reduction targets.

The 2022 RTP reflects new MPO planning requirements detailed in the Infrastructure Investment and Jobs Act (IIJA), which was signed into law on November 15, 2021. These include:

- A requirement to consider equitable and proportionate representation of the population of the metropolitan planning area when the MPO is designating officials or representatives for the first time.
- A requirement that the MPO ensure consistency of planning data to the maximum extent possible when there is more than one MPO in an urbanized area.
- Encouragement for MPOs to use social media and web-based tools to foster public participation and solicit public feedback during the transportation planning process.
- A requirement for the state department of transportation to support MPO travel demand data and modeling.
- A requirement that each MPO use at least 2.5 percent of the funds apportioned for metropolitan planning on one or more activities to increase safe and accessible options for multiple travel modes for people of all ages and abilities (a.k.a., Complete Streets).

The 2022 RTP includes the following nine regional goals, each of which is supported by objectives, implementation strategies, and performance measures:

- **Goal #1:** Keep people and freight moving safely, efficiently, and effectively.
- **Goal #2:** Optimize the use of existing interregional and regionally significant roadways to prolong functionality and maximize return on investment.
- **Goal #3:** Strengthen performance-based planning and programming.
- **Goal #4:** Strengthen regional economic sustainability and competitiveness to help support long-term prosperity.
- **Goal #5:** Integrate multimodal options via a "one system" network of infrastructure, services, programs, and technologies.
- **Goal #6:** Help encourage transportation-efficient growth and development where it is supported by current or planned mobility options.
- **Goal #7:** Ensure historically marginalized and otherwise disadvantaged communities have an equitable role in the planning and decision-making processes.
- **Goal #8:** Improve the reliability, safety, efficiency, and resiliency of regionally significant roadways based on transportation system data and alignment with regional performance targets.
- **Goal #9:** Work with regional partners to create people-centered communities that support public safety, health, and well-being.

SRTA's RTP/SCS includes the following regional vision:

> *SRTA will meet the region's evolving mobility needs and generally avoid traffic congestion and other growth-related pitfalls commonly observed in larger metropolitan regions. This will be accomplished through strategic and timely transportation system improvements; the integration of travel options into a seamless network; and collaborative effort toward transportation-efficient land-use patterns where it is most beneficial. As appropriate, SRTA will utilize its unique regional role and resources to lead transformative projects aligned with the regional vision.*
>
> *SRTA acknowledges its efforts are intertwined with regional prosperity, environmental quality, community health and well-being, and various other elements that collectively define quality of life, and will use regional transportation planning, policy-making, and project programming to lead the development of projects that yield multiple community benefits. Planning and decision-making processes shall engage partner agencies, community stakeholders, and the public, and be transparent and responsive to documented community values and priorities.*

Each RTP update builds upon prior efforts but is reflective of current and future conditions. Prior efforts that were used in the development of the 202 RTP included the following:

- ShastaSIM 2.0 Activity-Based Travel Demand Model,
- SRTA Board of Directors Regional Priorities,

- Transit Needs Assessment and Unmet Transit Needs findings,
- GoShasta Regional Active Transportation Plan,
- Sustainable Shasta,
- ResilientShasta Extreme Climate Event Mobility and Adaptation Plan,
- North State Intercity Transportation Studies,
- Long Range Transit Plan for Shasta County,
- Innovative Clean Transit Plan,
- RABA Zero-Emission Bus Rollout Plan,
- Disadvantaged Communities Assessment, and
- Coordination of Consolidated Transportation Service Agency (CTSAQ) Services Study.

The 2022 RTP/SCS is also crafted to be consistent with local and regional plans and programs (such as general plans, active transportation plans, and regional climate action plan) and state plans and initiatives (such as the California Transportation Plan, California Interregional Blueprint, and California State Wildlife Action Plan).

Concurrent with the RTP/SCS, the SRTA Board of Directors adopted the ShastaSIM 2.0 activity-based travel model, which it uses to forecast land use and travel behavior at least 20 years into the future. ShastaSIM 2.0 forecasts slower growth in overall population and households than the prior model (ShastaSIM 1.2, used in the prior RTP/SCS), yet a modest increase in employment over the prior model. ShastaSIM 2.0 also reflects a number of roadway and bicycle network changes as well as RABA transit route/service changes.

Prior to developing the 2022 RTP/SCS, SRTA prepared its 2021 Ways and Means report, which provides a four-year progress report on mobility in the Shasta region. It provided an update on progress toward the short-term goals included in the 2018 RTP/SCS. It included status reports on projects and programs in each transportation category. The report details funding received and activities undertaken to support each goal/project/program.

The RTP/SCS Update is supported by an adopted Public Participation and Title VI Plan which outlines the processes by which SRTA establishes a working relationship with community members and maintains open communication channels. Public participation activities for the 2022 update included SRTA Board of Directors meetings; city council and county board meetings; web postings on the SRTA's website; public notices in local newspapers and via social media; online forums; public workshops; community survey; notices to local, state, and federal agencies with an interest in the region; web-based participation opportunities; and a public review period.

Beginning in 2018, SRTA moved to a four-year update cycle. Local agencies subsequently adopted an eight-year housing element cycle.

SRTA staff prepare most of the RTP/SCS in-house, and preliminary planning for the next update of the RTP is currently underway. SRTA expects to start the update process during calendar year 2025. Preparation of the update is expected to take two to two-and-a-half years.

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Chapter 4 | Program Compliance

This section examines SRTA's compliance with the State of California's Transportation Development Act (TDA) 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 Triennial Performance Audit findings and related comments are delineated in Exhibit 4.1.

Compliance was determined through discussions with SRTA 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 two exceptions, SRTA adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. SRTA's FY 2021/22 and FY 2022/23 TDA fiscal audits were not completed within 12 months of the end of the fiscal year.
2. State Controller Financial Transaction Reports for FY 2021/22 and FY 2022/23 were submitted after the January 31 deadline.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than four years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

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. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enabled transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of "local funds" to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts 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.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus 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 Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.

Exhibit 4.1 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	In compliance	These are reflected in Section 4.30 of SRTA's LTF Policies.
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	SSTAC meets at least twice per year. The unmet transit needs process includes an annual public hearing.
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. • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation.	PUC 99244	In compliance	The status of productivity recommendations is assessed as part of the annual TDA claims process.
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	In compliance	RABA: FY 2021/22: December 16, 2022 FY 2022/23: December 14, 2023 FY 2023/24: March 11, 2025
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	Finding	FY 2021/22: October 9, 2023 FY 2022/23: August 28, 2024 FY 2023/24: *Pending*
The RTPA has submitted within seven months days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	Finding	FY 2021/22: February 10, 2023 FY 2022/23: March 19, 2024 FY 2023/24: January 30, 2025

Compliance Element	Reference	Compliance	Comments
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 completed the prior Triennial Performance Audits in March 2022. Moore & Associates was engaged to prepare the current 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	Letter to Caltrans dated March 31, 2022.
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	In compliance	
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	In compliance	These are reflected in Section 4.40 of SRTA's LTF Policies.
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	Approved STA uses are reflected in Section 4.25 of SRTA's LTF Policies.
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	

Compliance Element	Reference	Compliance	Comments
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: • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”; • Identified the unmet transit needs and those needs that are reasonable to meet; and • 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. 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.	PUC 99401.5	In compliance	Unmet Transit Needs hearings: February 23, 2021 April 28, 2022 April 27, 2023 June 20, 2024 SRTA issues a comprehensive Transit Needs Assessment report annually summarizing the methodology and findings of the Unmet Transit Needs process.

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Chapter 5 | Prior Recommendations

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

The prior audit – completed in February 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included three recommendations:

1. Consider including performance audits of the CTSA and any additional transit operations in Shasta County in future Triennial Performance Audit cycles.

   Discussion: The prior auditor recommended SRTA consider including the CTSA in future TDA Triennial Performance Audits. While not all compliance requirements would apply to non-Article 4 operators, including these operators in the performance audit process would provide regular oversight of productivity and efficiency.

   The prior auditor also noted any program designated as "pilot" or "demonstration" that does not receive Article 4 funding should be included in the process only once it becomes a permanent part of the transit offerings in Shasta County. Should the Sunday Service pilot become a permanent program, SRTA might need to also undergo a transit operator audit, since it contracts with Dignity Health Connected Living (DHCL) (which also serves as the CTSA) to provide this service. If the program (currently funded through LCTOP) utilizes TDA funding, the prior auditor recommended including it in the audit process.

   Progress: During the audit period, services provided by the existing CTSA were still classified as a pilot program. In FY 2023/24, the Sunday service moved to being provided by RABA as part of the Runabout microtransit service rather than by the CTSA provider (DHCL). In addition, now that RABA has a dedicated staff, there is a potential goal to have RABA take over the CTSA role (including the contract with DHCL) in FY 2025/26. Since all transit services would then be under RABA, this recommendation is no longer relevant.

   Status: No longer relevant.

2. Introduce more formal oversight of transit operator productivity through committee review

   Discussion: The prior auditor noted committee review of transit operator oversight is an effective and transparent approach to meeting the RTPA requirement to monitor operator productivity. The committee's role would be to review and evaluate efforts made by the operator to implement recommendations related to productivity included in the Triennial Performance Audit as well as recommendations included in other relevant plans or documents. The process should include RABA as well as any other provider (such as SRTA and the CTSA). Composition of the committee would depend on whether the productivity review role would be added to the responsibilities of an existing committee or if a new committee would be formed. Ideally, any productivity committee would include representatives from the management of each operator, employee organizations (if applicable), and users of each service.

SRTA has two existing committees that could be appropriate candidates to provide this level of oversight: The Technical Advisory Committee (TAC) and the Social Services Transportation Advisory Council (SSTAC). The SSTAC is probably a better fit, as it already includes transit user representatives as well as representatives from the transit operators, and participates in the annual Unmet Transit Needs process. Alternately, a stand-alone transit operator productivity committee could be formed with the representation cited above.

Progress: The SRTA Board of Directors was not in favor of creating a new committee to address this issue. In addition, requirements to demonstrate productivity improvements were suspended during the audit period as part of the AB 90, AB 149, and SB 125 legislation. Additionally, during the audit period RABA was in the process of revising its performance metrics as part of the update of their Short Range Transit Plan, which was adopted January 22, 2024. As such, no new procedures for monitoring operator productivity were introduced during the audit period.

Status: Not implemented.

3. Ensure new farebox recovery ratio calculation considerations are taken into account when determining whether an unmet transit need is "reasonable to meet."

Discussion: The prior auditor recommended SRTA ensure LTF funding is used to address unmet transit needs to the greatest extent possible. In the FY 2020/21 Transit Needs Assessment, five unmet transit needs were identified. Three of those needs (all specific to RABA) were determined not to be "reasonable to meet" due in part to the operator's continuing challenge meeting the TDA required farebox recovery ratio.

With the new TDA guidance (AB 149) allowing additional exclusions to operating cost as well as allowing federal funds to be counted toward an operator's farebox recovery ratio calculation, the prior auditor noted the risk of an operator losing TDA funding is likely to be significantly lower. As such, this argument should not be the only deciding factor as to whether an unmet transit need is "reasonable to meet" unless the farebox recovery ratio is sufficiently low (even with the modifications) that TDA funding is actually at risk.

Progress: In the Transit Needs Assessments conducted during the current audit period, farebox recovery ratio was still cited as the primary reason not to implement the identified needs of More Frequent Service, Extended Service Hours, and Extended Service Area. However, productivity, lack of additional funding for expansion projects, and the expansion of Shasta Connect in some parts of Redding were also cited as reasons the needs were not Reasonable to Meet. The SRTA Board of Directors expressed an interest in taking into account metrics beyond the farebox recovery ratio. This led to RABA looking at additional performance metrics, which it will be using in the future. The SRTA Board was very satisfied with the most recent unmet transit needs process and what was able to be addressed.

Status: Implemented.

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Chapter 6 | Functional Review

A functional review of the Shasta Regional Transportation Agency (SRTA) 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

SRTA provides an appropriate level of administration for regional transportation planning activities. Monitoring activities include reviewing invoices, bank statements, and program tracking sheets; periodically reviewing financial items (typically at bimonthly financial meetings); and quarterly financial reports to the SRTA Board of Directors. SRTA is working with RABA staff to streamline some of its processes for future fiscal years. The SRTA Board of Directors reviews and approves key documents prepared by staff (such as the Regional Transportation Plan, audits, and budget documents) in a timely manner. TDA claims are also processed in an accurate and timely manner.

SRTA conducts appropriate planning and goal-setting activities, including schedules and milestones for achieving goals and objectives. It establishes goals for regional coordination through its Overall Work Program, which reflects regional planning priorities as various work elements with deliverables. Coordination between the jurisdictions has improved significantly over the past three years, which included changes in leadership at SRTA, RABA, and several other agencies.

With respect to goals for securing grants, the practice has been to apply for as much as they can, but generally focusing on core programs that can be handled by current staff. Ultimately, which grants are applied for are dependent on needs and projects identified in the RTP.

SRTA is also working with RABA regarding transit performance standards. RABA is responsible for setting its own performance goals with respect to transit asset management and transit safety. SRTA participates in the state's target-setting process for active transportation performance measures but does not set region-specific targets.

SRTA's budget and staffing allocations are sufficient and appropriate for reaching the goals and objectives of its core functions. Additional competitive grant funding is necessary for carrying out strategies and making progress toward goals, given there is less money coming to the area under formula grants.

At present, SRTA's employees are generally sufficient in number and qualification for the RTPA to accomplish its functions, though at least one planner position was vacant at the time of this report. However, there has been an increasing effort at both the federal and state effort to move more responsibilities onto regional agencies, which may require adding staff to address the added workload.

For example, additional financial and grant administration activities recently necessitated SRTA adding an accounting clerk position under the Chief Fiscal Officer to address both federal and state requirements. A new Executive Director and Senior Planner were hired in 2022, as well as two additional staff members, while one senior planner retired and another moved out-of-state. One associate planner was hired in 2023. An accounting clerk was hired in January 2025.

The SRTA Board of Directors sets goals for the Executive Director, and the Executive Director sets goals for other staff. Performance evaluations are conducted after the first six months of employment, then annually thereafter. The RTPA incentivizes employees through performance pay (up to five percent) factored into the annual performance evaluations and mid-manager rotation available to senior transportation planners and others at that level (an additional five percent while in the mid-manager role). Benefits include medical, dental, vision, accidental death and disability, and long-term care insurance; retirement benefits; vacation; sick leave; employee assistance program; and tuition and other reimbursements.

Currently, the SRTA Board of Directors meets on a minimum of five times each year (e.g., February, April, June, October, and December) or more frequently as needed; typically on the fourth Thursday at 9:00 a.m. in the Shasta Regional Transportation Agency's Salmon Room at 1255 East Street, Suite 202 in Redding. All meetings are open to the public and accessible via Zoom, though Board members are generally required to participate in person. Typically there have not been any issues with achieving a quorum. The Board has expressed interest in supporting hydrogen and other alternative fuels projects, in coordination with other partners, where it is realistic to do so. Other Board interests have included providing service to the VA clinic and the Redding Regional Airport. The Board is also getting more involved in the SB 375 process, at a statewide level, including making sure it is relevant to SRTA's regional planning responsibilities.

Transportation Planning and Regional Coordination

Every four years, SRTA updates its Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), which provides overall guidance for transportation planning in the Shasta region. The 2022 RTP/SCS update was adopted by the SRTA Board of Directors in December 14, 2023. A more comprehensive discussion of the Plan is provided in Chapter 3.

The RTP/SCS draws on the prior document as well as other data and studies pertaining to transportation in the region, and offers appropriate transportation policy guidance. It provides an assessment of transportation trends and challenges in the region as well as looks at usage and conditions for individual modes (streets and roads, public transportation, active transportation, aviation, rail, and freight movement). The RTP/SCS includes regional transportation projects for the short-term (2022 – 2026) and long-term (2022 – 2042), a 20-year planning horizon.

SRTA provides ample opportunities for participation from member governments, other local agencies, state and federal agencies, and the general public. The RTP process includes one public workshop, website participation, a mid-cycle report to share information, and presentations at the TAC meetings. The projects contained within the RTP/SCS and the progress made on them has been especially helpful in grant applications for housing projects.

SRTA is aware of efforts regarding local revenue measures that could impact transportation. The City of Redding recently began discussing an infrastructure funding measure, though no action has yet been taken.

RABA is responsible for its own short-range planning, which typically includes market research to evaluate the impact of marketing activities. SRTA participates in and/or offers input into planning activities by regional or local government entities whenever warranted, primarily projects that are determined to have a clear, substantial, and acute impact to the regional transportation system. Discussions for updating GoShasta's active transportation plan are in the works, with SRTA having submitted a grant application for competitive planning funds while offering letters of support for other city grant applications.

Claimant Relationships and Oversight

SRTA does not currently have a designated productivity committee. One of the recommendations in the prior audit included the introduction of a more formal oversight of transit operator productivity through committee review. While this was not ultimately implemented (see discussion in Chapter 5), SRTA does conduct regular monitoring of transit operator performance as part of the annual TDA claims process and through the Unmet Transit Needs process.

SRTA makes technical and managerial assistance available to Shasta County transit operators, and is in regular communication with claimants. The Chief Fiscal Officer provided a large amount of technical assistance over the last two years of the audit period. The CFO worked with RABA and DCHL regarding eligibility for STA funds and compliance with efficiency goals and how to document this as part of the TDA claims process. The CFO feels DHCL now has the right knowledge to file the claim in future years. Planning staff has also provided software support for route planning. The RTPA communicates TDA guidance to operators, including the Caltrans *Performance Audit Guidebook* and TDA handbook and claim forms.

The RTPA has only one operator that is required to submit financial reports, compliance audits, and a triennial performance audit. SRTA automatically requests an extension for the TDA fiscal audits for all TDA claimants, including RABA. Delayed audits during the audit period were due to new consultant staff assigned to the report. SRTA processes TDA claims in a manner consistent with its own rules. SRTA contracts with an independent auditor to prepare the triennial performance audit for itself and RABA.

Marketing and Transportation Alternatives

SRTA does not provide marketing specific to RABA. However, SRTA recently updated its *Need-A-Ride Guide* with a comprehensive list of available transportation services in Shasta County. RABA's mobility manager is expected to undertake the next update. Additionally, SRTA has provided funds for RABA to look at regional marketing and rebranding in the future, which could consolidate all Shasta services under a single brand. SRTA offers input regarding press releases upon the initiation of significant new services, but does not prepare or distribute them. SRTA will share social media content and post to its website.

SRTA prepared the GoShasta Regional Active Transportation Plan in 2018 and is in discussion with partners about updating the document. The RTPA provides funds toward programs such as Healthy Shasta's bike month and Walktober to promote the use of alternative modes of transportation, particularly through support for the back-end (app) for the programs. SRTA has funded vanpools and promoted/supported the local non-profit that offers an e-bike share program. SRTA also offers two e-bikes for staff use, as half of its staff live within walking distance of the office.

Grant Applications and Management

SRTA and RABA generally apply for a broad range of federal and state grants, including Federal Transit Administration (FTA) formula grants, FTA competitive planning grants, and Federal Highway Administration (FHWA) grants. SRTA has coordinated with RABA about who will be the lead agency for applications under Senate Bill (SB) 1, State of Good Repair, and the Low Carbon Transit Operation Program (LCTOP). SRTA has been providing technical assistance to DHCL with respect to applying for federal funding, though RABA is expected to take over this role in the future. Some of the discretionary grants SRTA applies for include Caltrans sustainable communities planning grants, state planning research assistance, federal congressional funding (for Caltrans highway projects), trade corridor enhancement program, and other federal and state programs.

Neither SRTA nor RABA has been denied a grant based on errors or omissions in the grant application. A TIRCP grant was not awarded in the most recent cycle due to an error (based on Caltrans' direction) that resulted in evaluation points being docked.

Chapter 7 | Findings and Recommendations

Conclusions

With two exceptions, we find the Shasta Regional Transportation Agency, 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. SRTA's FY 2021/22 and FY 2022/23 TDA fiscal audits were not completed within 12 months of the end of the fiscal year.
2. State Controller Financial Transaction Reports for FY 2021/22 and FY 2022/23 were submitted after the January 31 deadline.

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:

1. SRTA did not implement one of its recommendations from the prior audit pertaining to operator productivity oversight.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for SRTA'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: SRTA's FY 2021/22 and FY 2022/23 TDA fiscal audits were not completed within 12 months of the end of the fiscal year.

Criteria: CCR 6662 requires transportation planning and programming entities to submit an annual fiscal audit within 12 months of the end of the fiscal year,

Condition: In FY 2021/22, the fiscal audit was not completed until October 9, 2023. In FY 2023/24, the fiscal audit was not completed until August 28, 2024. Both were completed beyond the 12-month deadline (June 30, 2023, and June 30, 2024, respectively).

Cause: With respect to the FY 2021/22 fiscal audit, SRTA was granted an extension to March 2023. Many factors contributed to the late submission, including the single audit from FY 2020/21 not being completed until September 29, 2022, resulting in a late start on FY 2021/22 financial statement preparation; consultant delays; auditor absences and staffing issues; scheduling conflicts; and internal auditor controls requiring multiple department reviews. This inadvertently caused the audit to be completed past the contracted deadline. SRTA staff performance was not determined as a reason for the missed deadline.

With respect to the FY 2022/23 fiscal audit, several of the same factors as impacted the prior year contributed to the late submission, including a late start on FY 2022/23 financial statement preparation (due to the delayed FY 2021/22 audit); consultant delays; scheduling conflicts; and internal auditor controls requiring multiple department reviews.

Effect: Because the FY 2021/22 audit was late, the State Controller's Office withheld the fourth quarter FY 2022/23 STA payments, though SRTA was still able to make payments to the jurisdictions as promised using unrestricted funds. These payments were subsequently released following submittal of the completed FY 2021/22 fiscal audit. Fourth quarter FY 2023/24 STA payments were also withheld until the audit was completed.

Recommendation: Ensure fiscal audits are submitted within 12 months of the end of the fiscal year.

Recommended Action: Over the past several years, SRTA has been taking measures to complete its audits within the stipulated timeframe. This has included identifying and correcting issues that arose during the time the Chief Fiscal Officer position was vacant, transitioning to a new auditor, and recovering from delays that pushed subsequent timelines later. Given SRTA staff anticipate an on-time delivery of the FY 2023/24 fiscal audit, the likely action needed at this time is to maintain oversight of the process to ensure future audits can be submitted on time.

Timeline: Ongoing.

Anticipated Cost: None

Compliance Finding 2: State Controller Financial Transaction Reports for FY 2021/22 and FY 2022/23 were submitted after the January 31 deadline.

Criteria: CCR 6660 requires RTPAs to submit an annual transactions report to the State Controller within seven months following the end of the fiscal year (typically January 31). These reports are submitted electronically, and submittal automatically generates a cover page that is time-stamped with the date and time the report was submitted.

Condition: The FY 2021/22 State Controller Report was submitted on February 10, 2023, approximately 10 days after the deadline. The FY 2022/23 State Controller Report was submitted on March 19, 2024, approximately six weeks after the deadline. The FY 2023/24 State Controller Report was submitted on time (January 30, 2025). SRTA staff have also recently implemented a series of schedule reminders to keep track of reporting deadlines.

Cause: Late submittals may be the result of miscommunications (e.g., if the letters from the State Controller are not addressed to the correct person), extenuating circumstances (such as a transition to remote work due to a pandemic), or the required data not being available (e.g., waiting for a completed audit).

Effect: Failure to submit the report on time can result in the RTPA being out of compliance with the TDA.

Recommendation: Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.

Recommended Action: SRTA should ensure the Financial Transaction Reports are submitted on time regardless of who is responsible for preparing them. If the report is submitted on time but with unaudited data, SRTA should work with the State Controller's Office to amend the report with the corrected data when that data becomes available. Doing so ensures that the RTPA can remain in compliance with this requirement.

Timeline: FY 2024/25.

Anticipated Cost: None.

Functional Finding 1: SRTA did not implement one of its recommendations from the prior audit pertaining to operator productivity oversight.

Criteria: The prior audit included a recommendation that SRTA utilize a productivity committee to review operator productivity as part of its administration of TDA funding. PUC 99244 requires the RTPA to review productivity improvements on an annual basis. While a productivity committee is not required, it is one manner in which the RTPA may fulfill this requirement.

Condition: The SRTA Board of Directors was not in favor of creating a new committee for this purpose. During the audit period, this requirement remained suspended due to AB 90 and AB 149. As a result, no action was taken and this recommendation was not implemented.

While SRTA does review operator productivity as part of the annual unmet transit needs process, it is not a formal part of the TDA claims process. However, given the input from the Board, use of a productivity committee is not necessary to ensure compliance. Rather, the prior recommendation will be adjusted to call for making the productivity review a more formal component of the annual TDA claims process.

Cause: There are three contributing factors to this recommendation not being implemented: 1) The SRTA Board of Directors was not in favor of creating a new committee; 2) the requirement to review productivity was waived due to legislation impacting the audit period; and 3) RABA was undergoing a reorganization.

Effect: This resulted in the recommendation not being implemented.

Recommendation: Include a productivity assessment as part of the TDA claim form.

Recommended Action: Rather than using a productivity committee to review the operator's productivity improvements, it is recommended that SRTA incorporate a productivity assessment into its annual TDA claim form in addition to reviewing productivity as part of the unmet transit needs process. Doing so will tie the productivity review to the claims process as well as provide data for review as part of the unmet transit needs process. This can be accomplished by adding two forms to the TDA claim form, one for the operator to provide an update to the status of any triennial performance audit recommendations, and the other to calculate key performance metrics. Examples of these forms are provided on the following pages and can be modified to fit the region, in response to new state transit performance metrics or updates RABA has made to its own performance measures. Data from the forms should be reviewed by staff as part of the annual claims process.

Timeline: Implement in FY 2025/26.

Anticipated Cost: Negligible.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure fiscal audits are submitted within 12 months of the end of the fiscal year.	High	Ongoing
2	Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.	Medium	FY 2024/25
Functional Recommendations		**Importance**	**Timeline**
1	Include a productivity assessment as part of the TDA claim form.	Medium	FY 2025/26

Exhibit 7.2 Sample Productivity Recommendation Status Form

Progress Report on Triennial Performance Audit Productivity Recommendations

Recommendation	Implementation Status

Exhibit 7.3 Sample Transit Operator Performance Measures Form

Transit Operator
Operational Information
FY 20XX/XX

1. Passengers (Unlinked Passenger Trips) ____________________
2. Vehicle Revenue Miles ____________________
3. Vehicle Revenue Hours ____________________
4. Operating Cost ____________________
5. Fare Revenue ____________________
6. Operating Cost per Vehicle Revenue Hour ____________________
7. Operating Cost per Vehicle Revenue Mile ____________________
8. Operating Cost per Passenger ____________________
9. Passengers per Vehicle Revenue Hour ____________________
10. Passengers per Vehicle Revenue Mile ____________________
11. Farebox Recovery Ratio ____________________