

# **Draft FY 2018 *TransNet* Triennial Performance Audit Report and Responses to Recommendations**

**San Diego Association of Governments  
Environmental Mitigation Program Working Group | May 8, 2018**

# 2018 Performance Audit

- Triennial Performance Audits required by *TransNet* Ordinance
- Audit Period: July 1, 2014 through June 30, 2017
- 4<sup>th</sup> Triennial Performance Audit work coincided with *TransNet* 10-Year Look-Back Review
- Audit Scope was set by ITOC and refined with Audit Subcommittee over the course of the audit
- Focused on project performance in achieving Ordinance goals, financial management, project delivery and oversight of CM/GC method, and efficiency and effectiveness of projects and program areas

# Report Overview

- Short Executive Summary followed by Recommendations
- Nine Chapters, each with 1-page Chapter Summary:
  1. *TransNet* Financing
  2. Performance Framework
  3. Major Corridor Capital Construction
  4. Local Streets and Roads
  5. Transit Services
  6. Bike and Pedestrian Modes of Transportation
  7. Environmental Mitigation Program
  8. Information and Transparency
  9. Conclusions and Summary of Agency Response

[www.sandag.org/transnet2018performanceaudit](http://www.sandag.org/transnet2018performanceaudit)

# Key Results – Meeting *TransNet* Goals

	<b><i>TransNet</i> Ordinance Goals</b>	<b>Goal Met?</b>
1	<b>Relieve Congestion</b>	Mixed Results
2	<b>Improve Safety</b>	Mixed Results
3	<b>Match State and Federal Funds</b>	✓
4	<b>Expand Freeways</b>	✓
5	<b>Maintain and Improve Roads</b>	✓
6	<b>Increase Transit for Seniors and Persons with Disabilities</b>	✓
7	<b>Expand Commuter Express Bus, Trolley, and COASTER Services</b>	✓

# Environmental Mitigation

## Key Results

- EMP processes and agreements were successful and significant progress was made but much work remains as efforts shift towards restoration efforts
- Restoration costs are expected to exceed estimates mostly because more wetlands were acquired and restored
- Mitigation bank underutilized by local agencies
- Habitat conservation performance structure was in place, but communicating complex results to the public remains a challenge

# Next Steps

- ❑ July 11, 2018 ITOC considers adoption of final report
- ❑ July 27, 2018 ITOC presents final report to SANDAG Board
- ❑ July 2020 Start of fifth Triennial Performance Audit



**Audit Recommendation**

**Auditee Response**

**Chapter 7: Environmental Mitigation Program**

19.	<p>Continue efforts to establish a new Memorandum of Agreement with Caltrans, California Department of Fish and Game, and the U.S. Fish and Wildlife Service to replace current one expiring before funding expires in June 2018.</p>	<p>The MOA has expired, but funding under the SANDAG CIP budget will be available for FY 2019. SANDAG will be using the results of the Ten-Year Review Look-Back and FY 2018 <i>TransNet</i> Triennial Performance Audit as the basis for a new MOA starting in May 2018.</p> <p>Staff Lead – Keith Greer (Planning)</p>
20.	<p>Enhance the financing and use of <i>TransNet</i> funding for the Environmental Mitigation Program (EMP) by implementing the following:</p> <p>a. Reviewing and updating EMP cost estimates in light of higher costs than anticipated associated with restoring coastal wetlands.</p>	<p>SANDAG is tracking the change in cost for the lagoon restoration efforts and comparing it to the cost savings associated with lower than estimated land acquisition costs.</p> <p>Staff Lead – Kim Smith (Planning)</p>
	<p>b. Considering the most efficient use of available funding and possible adjustments, as allowed by the <i>TransNet</i> Extension Ordinance, to focus on higher priority activities and projects such as restoring coastal wetlands, given updated revenue forecast information and cost estimates.</p>	<p>SANDAG will start to discuss ways to address this issue in spring 2018 and it will become part of the revised MOA identified in Recommendation 19 above.</p> <p>Staff Lead - Keith Greer (Planning)</p>
	<p>c. Revisiting the established economic benefit methodology to ensure the calculation accurately represents the cost savings that have been achieved.</p>	<p>Cost savings are being tracked, but true cost savings will not occur until a project has completed close-out. This has not happened yet, but over the next years SANDAG will evaluate and assign a value considering the overall costs of the program as described in Recommendation 20a above.</p> <p>Staff Lead - Keith Greer (Planning)</p>

	<b>Audit Recommendation</b>	<b>Auditee Response</b>
21.	Make changes, as appropriate, to marketing efforts for the local streets and road mitigation bank funding available for local projects, consider revising eligibility criteria for public entities, or consider whether those monies could be better utilized within other EMP priority actions, as allowed under the <i>TransNet</i> Extension Ordinance.	SANDAG has made several attempts to promote the availability of these credits. SANDAG will work with Communications staff to establish a systematic approach. Communications has met with the Planning EMP staff and has calendared upcoming milestones in order to plan public information releases on all communication platforms.  Staff Lead - Keith Greer (Planning)
22.	Measure progress in meeting specific and detailed EMP goals, objectives, and action items for regional monitoring and management under the Management Strategic Plan. Specifically, develop metrics using the abundance of data to holistically understand the status and trend of the overall health of the preserve against the baselines established in regional conservation plans and formalize a system to communicate complex performance results to the public.	SANDAG has already identified several similar efforts from around the country. SANDAG will develop a proposed approach to these complex ideas to the public and report as a report card or similar evaluation system. Work will start in summer 2018 to develop a detailed work plan. Communications is involved in the planning effort and will effectively work with the department to produce informative pieces for distribution on multiple communication platforms.  Staff Lead - Keith Greer (Planning)

