



**Kern Council
of Governments**

**FY 2010-2012
Triennial Performance Audit
of Kern Council of Governments**

**Submitted to
Kern Council of Governments**

June 2013

TABLE OF CONTENTS

Executive Summary	i
Section I	1
Introduction – Initial Review of Kern COG Functions	1
Overview of Kern County and Kern COG	1
Section II	5
RTPA Compliance Requirements	5
Section III	14
Responses to Prior Triennial Performance Audit Recommendations	14
Section IV	16
Detailed Review of Kern COG Functions	16
Administration, Management and Coordination.....	16
Transportation Planning and Regional Coordination.....	18
TDA Claimant Relationships and Oversight	19
Public Information and External Affairs	22
Grant Applications and Management	23
Section V	24
Findings.....	24
Recommendations	26
Appendix A.....	28
Summary of Important TDA Report Dates	28
Appendix B.....	30
Sample TDA Claim Standard Assurances	30

Executive Summary

PMC was retained by Kern Council of Governments (Kern COG) to conduct its Transportation Development Act (TDA) performance audit for Fiscal Years (FY) 2009-10 through 2011-12. Kern COG is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) as a condition of receiving TDA funding. TDA funds are expended for Kern COG administration and planning of public transportation, and distribution to local jurisdictions for operations of public transit systems, non-motorized projects, and streets and roads.

This performance audit is intended to describe how well Kern COG is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, PMC conducted interviews with agency staff, reviewed various documents, and evaluated Kern COG's responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

Compliance with TDA Requirements

Kern COG has complied with most State legislative mandates for Regional Transportation Planning Agencies. Two compliance measures were not applicable during the audit period pertaining to TDA Article 4.5 claims, and development of an intermediate farebox ratio. Two additional measures were in partial compliance (completion of claimant and Kern COG fiscal audits).

Status of Prior Audit Recommendations

Of the three prior performance audit recommendations, Kern COG fully implemented two recommendations, and partially implemented the third relating to the submission of fiscal audits within specified timeframe.

Functional Review

1. Kern COG staff has made an effort during the audit period to clean up its fiscal audit process and work with the TDA claimants to complete and submit their respective fiscal audits. Although both claimant and Kern COG fiscal audits were submitted past the statutory timelines, changes in COG administrative staff have resulted in improved procedures and more proactive measures to ensure TDA claims are submitted and fund disbursements made in a timely manner.

2. Kern COG underwent significant changes in its management staffing during the audit period. A new Executive Director was hired in June 2012 to replace the former director who retired after a long tenure with the agency. Also, from the death of the former Assistant Director in FY 2008-09, TDA related responsibilities were separated between two new positions, one being a Director of Administrative Services, and the other being a Fiscal Services Officer. These positions were created in FY 2009-10 and filled by the Administrative Analyst and Administrative Assistant, respectively. These changes provide an impetus to update existing policies and procedures.
3. New management staff made an effort to improve the operating and financial policies and procedures of the agency. Actions have included working closely with the local jurisdictions to assist them with submitting past TDA claims so funds could be distributed in a timely manner.
4. Kern COG undertook an update to the Regional Transportation Plan (RTP) which is Kern COG's long-range planning document that guides the development of transportation in Kern County. The last RTP was prepared in 2011 for a 20-year horizon. The 2014 RTP incorporates the sustainable communities strategies (SCS) mandated pursuant to Senate Bill (SB) 375, as well as the Congestion Management Program (CMP). The public participation requirements for development of the SCS were met through Kern COG's public participation plan that meets federal requirements. An environmental justice grant enabled COG to conduct outreach to Native American tribes, including the federally recognized tribe in Tejon Ranch.
5. Kern COG conducted several Transportation Development Plans (TDPs) during the audit period. Three TDPs were prepared for California City, Delano and Tehachapi in 2011-12 to improve public transit options for city residents. In April 2012, the Metropolitan Bakersfield Transit System Long-Range Plan (LRP) was developed that was a collaborative effort among the Golden Empire Transit District (GET), Kern COG, and a consultant team. The LRP included recommended changes to transit service in the short (2013-2020), medium (2021-2025) and long (2026-2035) Terms.
6. Kern COG's assistance to the transit claimants is evolving as a result of updated financial policies and changes in financial administrative staff. Transit operators and Kern COG meet as part of the Social Services Transportation Advisory Council (SSTAC) to discuss coordination and training, legislative issues, and share in the performance data. Kern COG is working with claimants who have not submitted claims over long stretches of time to complete and submit the proper claims and supporting documentation for TDA fund disbursement. Communication is improving between the COG and local jurisdictions during the claims process with regard to timing and expectations of fund disbursement as part of COG's efforts to assist with the filing and claims request

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

1. Develop a tickler file of key TDA claims dates.

In its current efforts to assist the local jurisdictions with their TDA claims, Kern COG should develop a reference tickler file of key dates that serve as a reminder of when various activities and deliverables are due. The tickler file could simply be a listing of dates and activities during the year. A sample of such a file is provided in an appendix to this report.

2. Update the Kern COG TDA Rules and Regulations

The existing TDA rules and regulations developed by Kern COG are dated from 1990. Although the TDA rules and regulations and claims forms have been integrated into the agency’s master Policies and Procedures Manual with some edits, Kern COG should review and ensure that the document reflects the current claims process and updates contained in the latest TDA statutory guidelines published by Caltrans (April 2013). In addition, the list of eligible TDA claimants should be updated while some language in the sample claims form should also be updated. For example, for federal funds, the term “UMTA” is used in the sample claims budget section, which has been changed to “FTA Section” grants under prior federal ISTEA legislation.

3. Maintain diligence in providing technical assistance to local jurisdictions enabling the release and disbursement of TDA funding.

Kern COG has been improving the timeliness in disbursement of TDA funds to the claimants, although there remain unallocated apportionments from prior years for a few claimants. These funds can be disbursed once Kern COG receives a completed claim, and then approves the funds. Kern COG has been assisting the local jurisdictions with these activities and should maintain these efforts moving forward. Improved COG financial policies will help with facilitating the disbursement of funds.

4. Develop and implement an updated checklist of standard assurances for TDA transit claims.

The purpose of the standard assurances form allows each operator to certify that all conformance requirements are satisfied to receive both LTF and STA funds. These standard assurances are typically listed in a checklist format in the TDA claims and should be reviewed and signed off by the transit claimant prior to submittal of the claim. Kern COG, in turn, would verify compliance for each applicable measure prior to approving the claim for funding. Examples are the timely conduct of the annual state controller and fiscal audits, submittal of CHP compliance certificates, and full use of available federal funding.

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

Section I

Introduction – Initial Review of Kern COG Functions

Kern Council of Governments (Kern COG) retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2009-10 through 2011-12. Kern COG is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) as a condition of receiving TDA funding.

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

Overview of Kern County and Kern COG

Kern County is located in the southern San Joaquin Valley and extends eastward into the southern Sierra Nevada mountain range and the western Mojave Desert and westward toward the Coast Range. It is bordered by Kings and Tulare Counties to the north, San Bernardino County to the east, Inyo County to the northeast, Los Angeles and Ventura Counties to the south, San Luis Obispo County to the west and Santa Barbara County to the southwest. The county derives its name from the Kern River, which was named for Edward Kern, cartographer for General John C. Frémont during his 1845 expedition. County government was created in 1866 with the county seat in the mining town of Havilah in the mountains between Bakersfield and Tehachapi. The geographic land area of Kern County encompasses 8,140.96 square miles. The highest elevation is 8,755 feet at the summit of Sawmill Mountain located approximately 12 miles west of Frazier Park.

The City of Bakersfield is the county seat and largest city. Other incorporated cities in order of population rank are Delano, Ridgecrest, Wasco, Arvin, Shafter, Tehachapi, California City, McFarland, Taft and Maricopa. Notable unincorporated communities and census-designated places include Bear Valley Springs, Bodfish, Boron, Buttonwillow, Edwards AFB, Ford City, Frazier Park, Greenacres, Greenfield, Kernville, Lake Isabella, Lamont, Lebec, Lost Hills, Mettler, Mojave, Oildale, Rosamond, Rosedale, Weedpatch, and Wofford Heights. There are no federally-recognized Native American tribal entities in Kern County. A demographic snapshot of incorporated cities and the County is presented below in Table I-1:

**Table I-1
Kern County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census	Population 65 years & older	Land area (in square miles)
Arvin	19,304	49.0%	5.11%	4.82
Bakersfield (<i>County Seat</i>)	347,483	40.6%	8.44%	142.16
California City	14,120	68.4%	8.43%	203.52
Delano	53,041	36.6%	6.12%	14.30
Maricopa	1,154	3.9%	11.70%	1.50
McFarland	12,707	32.1%	4.60%	2.67
Ridgecrest	27,616	10.8%	12.37%	20.77
Shafter	16,988	33.4%	6.62%	27.95
Taft	9,327	45.7%	8.42%	15.11
Tehachapi	14,414	31.6%	8.79%	9.87
Wasco	25,545	20.1%	5.06%	9.43
Kern County (Co. Total)	839,631	26.9%	8.98%	8,140.96

Source: 2010 U.S. Census

The county and its incorporated cities saw significant growth between the 2000 and 2010 U.S. Census. California City saw the highest percentage increase in population followed by Arvin, Taft and Bakersfield. The senior citizen population, comprised of residents aged 65 and over, is approximately 9 percent countywide. The 2013 population for Kern County is estimated to be 857,882 as reported by the State Department of Finance.

Agriculture, distribution centers, food processing, government services and oil production are mainstays of the local economy. During the 2000s, oil production and refining residential construction fueled economic growth. Major highways traversing Kern County include Interstate 5 (I-5) U.S. 395, and State Routes (SR) 14, 33, 43, 46, 58, 65, 99, 119, 155, 166, 178, 184, 202, 204, and 223. SR-99 is the main north-south highway connecting Bakersfield with other major San Joaquin Valley cities to the north as well as I-5 to the south. Interstate 5 runs north-south through the western portion of the county whereas SR-14 and U.S. 395 are the main north-south highways in the eastern portion of the county. SRs-58 and 178 are the main east-west highways connecting the San Joaquin Valley with the mountain and high desert regions to the east.

In its capacity as a Regional Transportation Planning Agency (RTPA) as designated by the Secretary of the State Business and Transportation Agency for TDA administration, Kern COG administers and allocates TDA revenues to eligible claimants, including transit operators and local jurisdictions for street and road purposes. Among its planning responsibilities, Kern COG is required to develop and approve short and long-range plans. In addition, Kern COG plans and programs local and regional transportation projects for funding and coordination with regional programs.

Role and Structure of Kern COG

Kern COG was created in November 1970 under a Joint Powers Agreement (JPA) by the County of Kern and the 11 cities. An amended to the JPA was undertaken in May 1981 to more fully set forth the duties and powers of Kern COG.

In addition to its duties as the RTPA for Kern County, Kern COG's Joint Powers Agreement states that Kern COG was established to:

- Provide a forum for the discussion and study of regional problems of mutual concern to the various governmental agencies in Kern County;
- Provide for efficiency and economy in governmental operations through the cooperation of member governments and the pooling of common resources;
- Provide for the establishment of an agency responsible for identifying, clarifying and planning for solutions to regional problems;
- Provide for the establishment of an agency capable of developing regional plans and policies and performing area wide planning duties; and
- Facilitate cooperation and agreement among local government bodies for specific projects, interrelated developmental action and the adoption of common policies with respect to issues and problems that are shared by its members.

Available services by Kern COG include:

- Demographic Analysis
- Technical Assistance
- Circuit Rider Planner Program
- Transportation Modeling
- Geographic Information Systems
- Consultant Data Base
- Rideshare Assistance

Kern COG's offices are located at 1401 19th Street, Suite 300 in Bakersfield. Meetings of the Kern COG and standing committees are held in the Board Room at Kern COG. Staff provides support to the Kern COG Board as well as to the standing and advisory committees described as follows:

Kern COG Board of Directors: The Kern COG Board of Directors is comprised of one elected official from each of the 11 incorporated cities in Kern County, two Kern County Supervisors and ex-officio members representing Caltrans and Golden Empire Transit District. Monthly

board meetings provide the public forum for discussion and collaborative decision-making on significant issues of regional transportation and mobility.

Executive Committee: The Executive Committee reviews the annual operating budget, future agenda items, and provides guidance to the Executive Director on financial and personnel matters. The committee consists of a board member from the County of Kern, a member from the City of Bakersfield, and a member from one of the ten smaller cities.

Transportation Planning & Policy Committee: The TPPC makes technical funding decisions about how Kern COG transportation dollars are spent. The committee is made up of one representative from each of Kern's 11 incorporated cities, two county supervisors, and a representative each from Caltrans, Golden Empire Transit District and the Joint Planning Policy Board (military). Meetings are held immediately preceding the Kern COG board meeting.

Regional Planners Advisory Committee: The RPAC is a committee of local agency planning representatives who provide technical review and recommendation to the Kern Council of Governments' Board of Directors.

Geographic Information Advisory Committee: The GIAC is a committee of local agency GIS representatives who provide technical review and recommendation to Kern Council of Governments' Board of Directors.

Social Services Transportation Advisory Council: The SSTAC addresses the needs of the transit-dependent, including the elderly and disabled. Specifically the committee works with private transportation providers regarding proposed service and transportation planning opportunities; informs private sector transportation providers of the criteria used in making service decisions and; offers private-sector transportation advisors opportunities to present their ideas on transit plan development.

Public Transportation Operators Committee: Representatives of transit providers throughout Kern County make up the PTOC, which provides a forum for any transit-related issue, including performance measures, performance audits, short-range transit plans, productivity-enhancing strategies and new regulations. Fundamentally, the committee works to establish a seamless transit system in the county.

Transportation Modeling Committee: The TMC oversees the regional transportation model and regional growth forecast. The model is used to forecast the demand for future transportation infrastructure by predicting future travel patterns. Some of the forecast input variables include populations, households, employment, school enrolment, income, traffic counts, speeds, intersection configuration, existing and planned transportation networks.

Section II

RTPA Compliance Requirements

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

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	Kern COG accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more that what is apportioned for their area. Conclusion: Complied.
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	Public Utilities Code, Sections 99233.3 and 99234	Kern COG provides guidance for the submission of claims through a Call for Projects process for pedestrian and bicycle projects by eligible claimants including the 11 cities and Kern County. General information provides for the instructions, funding priorities and process for applying for the funds. A claims form and scoring evaluation are also provided Conclusion: Complied.
The RTPA has established a social services transportation advisory council. The RTPAs	Public Utilities Code, Sections 99238 and 99238.5	The SSTAC participates on a number of issues, including the annual unmet transit

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>		<p>needs process and hearings, coordination of specialized transportation services, environmental justice, and federal grant programs such as FTA Sections 5310/5316/5317. Kern COG staff indicated that the SSTAC has become more active in advocacy on social service issues.</p> <p>Conclusion: Complied</p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA, 	<p>Public Utilities Code, Section 99244</p>	<p>The PTOC provides a forum for any transit-related issue, including performance measures, performance audits, short-range transit plans, productivity-enhancing strategies and new regulations.</p> <p>The TDA performance audits, short range transit plans, and other transit studies that are developed provide an additional means for the identification and analysis of productivity. Kern COG also retains operations data on a monthly basis from the operators to conduct performance analyses.</p> <p>Conclusion: Complied</p>

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation.</p>		
<p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	<p>Public Utilities Code, Section 99245</p>	<p>Kern COG maintains record of annual certified fiscal and compliance audits submitted by TDA claimants. Although fiscal audits were submitted past the statutory time periods, Kern COG has been working toward improving the timeliness of fiscal audit submittals including receiving notices for appropriate extensions.</p> <p>Because the timely submittal of the annual fiscal audits is a compliance element prescribed by the Caltrans TDA Audit Guidelines for the transit operator audit, non-compliance with this measure is identified in the transit operator audits. However, during this audit period, responsibility for the TDA fiscal audit lies with Kern COG and its financial auditor which operates independently of the transit operators.</p> <p>Conclusion: Partial Compliance</p>

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the 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.</p>	<p>Public Utilities Code, Sections 99246 and 99248</p>	<p>For the current three year period, Kern COG has retained an independent entity, PMC, to conduct the audit of Kern COG.</p> <p>Moore & Associates was retained to conduct the previous audit for the three fiscal years that ended June 30, 2009.</p> <p>Conclusion: Complied</p>
<p>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.</p>	<p>Public Utilities Code, Section 99246(c)</p>	<p>Kern COG submitted a written letter to Caltrans on September 16, 2010 certifying compliance with this requirement. The letter was enclosed with the FY 2006-07 through FY 2008-09 triennial performance audit of Kern COG. A statement was also made in the letter indicating completion of the transit operator audits.</p> <p>Conclusion: Complied.</p>

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<p>The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.</p>	<p>Public Utilities Code, Section 99246(d)</p>	<p>The performance audits of the operators include all required TDA performance measures plus additional indicators to further assess each operator's efficiency, effectiveness and economy with the use of TDA funds.</p> <p>Conclusion: Complied.</p>
<p>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.</p>	<p>Public Utilities Code, Sections 99270.1 and 99270.2</p>	<p>There are no operators subject to an intermediate farebox ratio.</p> <p>Conclusion: Not Applicable</p>
<p>The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under</p>	<p>Public Utilities Code, Section 99275.5</p>	<p>There are currently no separate Article 4.5 claims submitted for funds in Kern County. Rather, all transit</p>

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.		operators including the CTSA use a standard claim form and adhere to the same policies and procedures. Conclusion: Not Applicable
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116	Kern COG allocates State Transit Assistance Funds (STA) for transit purposes only and based on population proportions. Conclusion: Complied
The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	Public Utilities Code, Section 99314.3	Kern COG allocates State Transit Assistance Funds (STA) to the transit operators on the basis of revenue. Conclusion: Complied.
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: <ul style="list-style-type: none"> Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238; 	Public Utilities Code, Section 99401.5	Kern COG conducts the annual unmet transit needs process and hearing in consultation with the SSTAC. One of the primary responsibilities of the SSTAC is to advise Kern COG on existing public transportation needs. The definitions of "unmet transit needs" and "reasonable to meet" are reaffirmed in the report and findings of the unmet needs

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
<ul style="list-style-type: none"> • Identified transit needs, including: <ul style="list-style-type: none"> ✓ Groups that are transit-dependent or transit-disadvantaged; ✓ Adequacy of existing transit services to meet the needs of groups identified; and ✓ Analysis of potential alternatives to provide transportation alternatives. • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; • Adopted a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that</p>		<p>process are adopted through Board resolution. Evidence of published advertisement of the hearings in each jurisdiction is also provided in the report.</p> <p>LTF funds have only been allocated to streets and roads after completion of the unmet needs process.</p> <p>Conclusion: Complied.</p>

TABLE II-1 Kern COG Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.		
The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year, and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements may not commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.	California Administrative Code, Section 6662	<p>Kern COG has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. Kern COG retained the firm of Brown Armstrong during the audit period. However, due to key staffing and organizational changes at the COG, the audit reports were submitted after 12 months of the end of the fiscal year.</p> <p>Kern COG also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p> <p>Conclusion: Partial Compliance.</p>

Findings from RTPA Compliance Requirements Matrix

Kern COG has complied with most State legislative mandates for Regional Transportation Planning Agencies. Two compliance measures were not applicable during the audit period pertaining to TDA Article 4.5 claims, and development of an intermediate farebox ratio. Two additional measures were in partial compliance (completion of claimant and Kern COG fiscal audits).

Kern COG staff has made effort during the audit period to clean up its fiscal audit process and work with the TDA claimants to complete and submit their respective fiscal audits. Although both claimant and Kern COG fiscal audits were submitted past the statutory timelines, changes in COG administrative staff have resulted in improved procedures and more proactive measures to ensure TDA claims are submitted and fund disbursements made in a timely manner.

Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes the Kern COG's response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation is described followed by a discussion of Kern COG's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Ensure TDA Article 4 claimants submit fiscal audits within the specified timeframe.

Actions taken by Kern COG:

Kern COG staff has addressed the Article 4 claims with Kern transit operators and is working closely with the auditors to ensure timeframes are met. During the audit period, however, a sampling of fiscal audits shows that many have been submitted after the specified timeframe, or are still in progress.

Conclusion:

This recommendation has been partially implemented.

Prior Recommendation 2

Consider development of a Transportation Regional Directory that consolidates details regarding transportation options into a single resource.

Actions taken by Kern COG:

Kern COG publishes an Areawide Directory that contains all county public transportation options. The Areawide Directory provides vital information on Kern COG, its member agencies, critical public agencies, and media outlets operating in the Kern Region.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 3

Work with the county's transit operators to develop a solution to initial and recurrent driver training.

Actions taken by Kern COG:

Kern COG staff has offered to coordinate public transit initial and recurrent driver training. Currently, there are two qualified public transit driver trainers employed by municipal public transit agencies; Starla Shaver in Ridgecrest and Marvin Williams in Arvin. Kern COG has recommended that its member agencies consider contracting with either of these cities to provide initial or recurrent training.

Conclusion:

This recommendation has been implemented.

Section IV

Detailed Review of Kern COG Functions

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

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

Administration, Management and Coordination

General Administration

Kern COG underwent significant changes in its management staffing during the audit period. A new Executive Director was hired in June 2012 to replace the former director who retired after a long tenure with the agency. Also, from the death of the former Assistant Director in FY 2008-09, TDA related responsibilities were separated between two new positions, one being a Director of Administrative Services, and the other being a Fiscal Services Officer. These positions were created in FY 2009-10 and filled by the Administrative Analyst and Administrative Assistant, respectively. These changes provide an impetus to update existing policies and procedures.

During the audit period, new management staff made an effort to improve the operating and financial policies and procedures of the agency. Actions have included working closely with the local jurisdictions to assist them with submitting past TDA claims so funds could be distributed in a timely manner. A new TDA policy is for Kern COG to provide quarterly disbursement of the revenue, or to retain a jurisdiction's payment without submission of a claim. Turnover in local jurisdiction staff have created hurdles for those jurisdictions to properly claim TDA funds. Additional Kern COG staff including the Regional Planner III provide technical review of the TDA claims to ensure accuracy of the information submitted. Also, Kern COG is working with the fiscal auditors to improve the delivery of local jurisdiction audits from past years and being up to date. When fiscal audit extensions are required, an email from is sent to Kern COG with the

request. With multiple dates to follow in the TDA claim process, Kern COG would benefit from a reminder type tickler file to maintain its proactive steps to enhance the process.

Additional administrative accomplishments include:

- Updated financial and accounting manuals including purchasing policies. For example, an updated policy is that a procurement greater than \$5,000 requires board approval.
- Updated personnel policies. Updates to position names and human resource terms were made.
- Development of defined criteria and processes for project selection.

The new Executive Director, with a background in the military and with Caltrans, brings a different philosophy to how Kern COG is organized and conducts its activities compared to prior management. One change was the reclassification of staff positions in which sub-classifications were eliminated and a new position can be attained once an employee reaches the highest step through a step process. Also, the Executive Director stays involved with staff by making rounds in the office and communicating directly with them, as well as inviting staff to project sites. In addition, staff is responsible for conducting more Overall Work Program (OWP) activities in-house to save on cost for transportation elements in the OWP. The Board further agreed to stop funding a consultant from the past four years for state and federal lobbying.

Overall Work Program

The Overall Work Program (OWP) serves as Kern COG's annual budget and program guide. The OWP identifies the specific work elements that Kern COG will undertake for the coming fiscal year. Each work element embodies a set of instructions for the administration, project management, coordination and planning of work to be carried out by staff and/or supplemented by consultants on an as need basis. Most of the work elements in the OWP address Kern COG's state and federal planning requirements and is subject to federal and state guidance. Other work elements are also included in the OWP to address and resolve local transportation planning issues and priorities.

The OWP is structured based upon Kern COG's multi-faceted role as an MPO and RTPA. The Introductory section provides a synopsis of Kern COG's purpose, organization and structure, staffing, planning priorities, public participation procedures and issues of regional importance. The Introductory section is followed by Kern COG's role and programs. The work elements include such categories as environment, community development, economic development, health, safety and justice, transportation planning, and intergovernmental coordination. The third section addresses Kern COG's role as a consolidated regional planning agency. The financial section identifies funding sources from federal and state sources for each element.

Transportation Planning and Regional Coordination

Regional Transportation Plan

During the audit period, Kern COG undertook an update to the Regional Transportation Plan (RTP) which is Kern COG's long-range planning document that guides the development of transportation in Kern County. The last RTP was prepared in 2011 for a 20-year horizon. The draft 2014 RTP is central for the transportation planning process for the region's transportation network, and encompasses projects for all types of travel, including aviation and freight movement. The plan assesses environmental impacts of proposed projects, and establishes air quality conformity as required by federal regulations. The document also discusses inter-modal and multi-modal transportation activities. The RTP demonstrates how Kern County will better maintain, operate, and expand its transportation system in a financially constrained manner. It serves to expedite project approval and prioritization.

In addition, the 2014 RTP incorporates the sustainable communities strategies (SCS) mandated pursuant to Senate Bill (SB) 375, as well as the Congestion Management Program (CMP). The public participation requirements for development of the SCS were met through Kern COG's public participation plan that meets federal requirements. An emphasis is placed on electronic notification such as email blasts and the agency website to reach out to stakeholders. Phone calls to elected officials are also conducted. Public workshops are being scheduled for community input.

An environmental justice grant enabled Kern COG to conduct outreach to Native American tribes, including the federally recognized tribe in Tejon Ranch. A branch of the Tejon Indian Tribe was issued a letter dated January 3, 2012 from the United States Department of the Interior, Bureau of Indian Affairs, describing that the Tejon Indian Tribe will now be included on the list of federally recognized tribes. Based on a news report by the Mountain Enterprise dated January 6, 2013, the January 3 letter called "an administrative error" left the tribe omitted from the federal register of recognized tribes. Renewed federal recognition enables the tribe to receive federal health, education and welfare benefits in addition to providing the group a variety of rights, but does not reclaim land ownership.

Transit Planning

Transportation Development Plans (TDPs) are used to support safe, efficient and economical transit systems through techniques that encourage greater public use; provide affordable transportation alternatives; reduce traffic congestion; improve air quality; and support transportation-friendly development. Kern COG conducted several TDPs during the audit period. Three TDPs were prepared for California City, Delano and Tehachapi in 2011-12 to improve public transit options for city residents.

Kern COG, California City and Kern County staff partnered to examine California City's public transit service. The plan presented a summary of the existing dial-a-ride service; defined the

system's goals and service standards; and presented a five-year service, capital and financial program. It recommended extending service hours in the evening; increasing fares moderately to help match rising operational costs; employing a marketing plan to promote available services; and exploring special dial-a-ride service to camp sites. Delano operates the second largest public transportation service in Kern County, including a citywide fixed-route system along with city and rural dial-a-ride service.

Delano's TDP included input from city, Kern COG and Kern County staff, as well as community stakeholders through on-board surveys, stakeholder meetings, phone-surveys, and Internet outreach. The plan recommended reducing the number of buses each hour; recruiting qualified drivers; investigating a lower contract rate for regular maintenance; improving on-time performance; developing a marketing program; launching a new Bakersfield College route; and other changes to improve service.

The Tehachapi area also has a dial-a-ride system operated by Kern Regional Transit and is served by regional fixed-route transit services via the East Kern Express, which travels to Mojave and Lancaster before returning to Bakersfield. Service recommendations for Tehachapi included increasing the fare structure to meet rising operations costs; marketing and education programs to generate new ridership; and reducing service by two hours each weekday.

In April 2012, the Metropolitan Bakersfield Transit System Long-Range Plan (LRP) was developed by a collaborative effort among the Golden Empire Transit District (GET), Kern Council of Governments (Kern COG), and a consultant team. A comprehensive analysis of public transportation services in the greater Bakersfield area included recommended changes to transit service in the short (2013-2020), medium (2021-2025) and long (2026-2035) Terms. In the short-term, GET's fixed-route bus network, which has not been substantially altered in 25 years, would be reconfigured to reflect population and employment growth since the 1980s and to improve customer service and cost-effectiveness. In the medium and long-terms, GETs services would be modified to accommodate projected growth and construction of a California High-Speed Rail station, additional changes would be made to Kern Regional Transit (KRT) intercity express bus service, and new modes of transit service including commuter rail would be introduced.

TDA Claimant Relationships and Oversight

Kern COG Administration and Planning

The uses of TDA revenues apportioned to Kern County flow through a priority process prescribed in State law. Prior to any allocation of funds for bicycle and pedestrian programs, and the transit operators, the COG is able to allocate Local Transportation Fund (LTF) revenues for TDA administration, and planning and programming purposes. During the audit years of 2010 through 2012, Kern COG claimed the following amounts as shown in Table IV-1 below.

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

Fiscal Year	LTF Claim
2009-2010	\$1,192,871
2010-2011	\$963,580
2011-2012	\$1,028,908

Source: Kern COG Annual TDA Apportionments

Based on the above table, in each year the amount claimed by Kern COG for both TDA administration, and planning and programming, equaled approximately 3.9 percent of total Local Transportation Funds apportioned for distribution. As stipulated in the PUC, Kern COG is limited to no more than 3 percent for planning and programming. The agency remained within these limitations during the audit period. In addition, about 1 percent of LTF is allocated for Kern COG administration of TDA.

Technical and Managerial Assistance to Operators

Kern COG’s assistance to the transit claimants is evolving as a result of updated financial policies and changes in financial administrative staff. Transit operators and Kern COG meet as part of the SSTAC to discuss coordination and training, legislative issues, and share in the performance data. Kern COG has worked with claimants during the audit period who have not submitted claims over long stretches of time to complete and submit the proper claims and supporting documentation for TDA fund disbursement. Communication is improving between the COG and local jurisdictions during the claims process with regard to timing and expectations of fund disbursement as part of COG’s efforts to assist with the filing and claims request. This effort is demonstrated by the closing of the gap over the past three years between claims received and claims that are outstanding.

Because some claimants still have not submitted claims, coupled with disbursement schedules that should be accelerated to at least quarterly payments, Kern COG should remain diligent in providing the proper technical and administrative assistance to help the local jurisdictions catch up, and be pro-active when processing the claim request.

Kern COG staff provide active monitoring of transit system performance. Each transit operator is required to submit monthly performance data via a spreadsheet to a Regional Planner. Data includes fares, ridership, hours and miles of service, days of service, accidents and system failures. Kern COG conducts a comparison of the data against the prior year’s data.

While some operating cost is included in the data, Kern COG understands that monthly cost data is typically not reflective of that particular month’s expenses due to accounting basis and transactions before and after the month that impact the underlying financials. Fluctuations in monthly cost data often arises. While a number of operators submit information, several

operators do not provide the monthly data in a timely manner. The submitted data provides some indication of operational performance trends. Kern COG staff has relied on year end reports such as the State Controller Report, National Transit Database, and annual fiscal audits for additional information for analysis.

TDA Claim Processing

TDA claims assistance and processing are handled jointly by several Kern COG staff including the Director of Administrative Services, Fiscal Services Officer, and Senior Regional Planner. On an annual basis during this audit period, Kern COG was responsible for managing the apportionment of between \$24.6 and \$30.5 million in Local Transportation Fund revenues and between \$3.8 and \$4.7 million in State Transit Assistance funds (annual apportionment figures).

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

Fiscal Year	Local Transportation Fund (LTF)	State Transit Assistance (STA)	Total
2010	\$30,503,531	\$0	\$30,503,531
2011	\$24,640,238	\$4,698,913	\$29,339,151
2012	\$26,310,747	\$3,890,580	\$30,201,327

Note: No STA was available in FY 2010 due to state budget conditions.

Source: Kern COG Annual TDA Apportionments; California State Controller

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

New to the claims process beginning in FY 2010-11 is the ability for claimants to prepare the claim on-line. A password protected web-based form is available to help expedite the completion of the claim and areas that can be auto-populated by formulas created in the forms. An on-line form also provides the ability for Kern COG and the local jurisdictions to share the same form that could further expedite the completion of the claims. Kern COG acknowledged that updates are needed on the claims forms including modifying key milestone dates and description of funding sources (e.g. federal funds are referred to as “UMTA” rather than “FTA Section”)

Unmet Transit Needs

The unmet transit needs process is required by the TDA where claims can be made for streets and roads. Kern COG policy includes extensive outreach where public hearings are held in each city in the county to solicit unmet needs. Public hearings are advertised in local English and Spanish newspapers soliciting public input. The public hearings are held by Golden Empire

Transit District, Kern Regional Transit, and city-operated transit systems. The public hearings are generally held in the beginning of each year prior to the allocation of TDA funds. Kern COG further conducts outreach for unmet needs at community fairs such as the County fair. Kern COG staff prepares an analysis of unmet transit needs that is reviewed by the Social Services Transportation Advisory Council (SSTAC). A final public hearing is held at Kern COG to consider the input and testimony received and analysis conducted by COG staff.

Each year, Kern COG reaffirms its definitions of 1) unmet transit needs and 2) reasonable to meet. An unmet transit need “exists if an individual of any age or physical condition is unable to transport himself or herself due to deficiencies in the existing transportation system. Excluded are: 1) those requests for minor operational improvements, and 2) those improvements funded and scheduled for implementation in the following fiscal year.” Reasonable to meet is defined as “A) Operational Feasibility. The requested improvement must be safe to operate and there must be adequate roadways for transit vehicles; B) Duplication of Service. The proposed service shall not duplicate other transit services; C) Timing. The proposed service shall be in response to an existing, rather than future need; and D) Service must meet the legally required farebox ratio (PUC Sections 99268.2, 99268.5, and CAC Sections 6632.2, 6633.5) with fares close to fares of similar service.”

At the conclusion of each year’s unmet transit needs process and Board adopted findings, the unmet needs documentation are submitted to Caltrans for verification of compliance with the TDA statute. The documentation include a copy of the resolution adopting the unmet needs findings, proof of publication notices for a public hearing, and copy of Kern COG Board adopted minutes. During the more recent unmet needs, Kern COG found that there were no unmet needs that were reasonable to meet.

Public Information and External Affairs

Kern COG uses a variety of tools and approaches in its overall public information and engagement strategy. The agency’s Public Participation Plan describes the strategies Kern COG employs to engage the community in the development of its plans and programs. Email blasts, phone contact with stakeholders, and public workshops are sample outreach efforts used for specific projects such as the RTP. Kern COG’s principal electronic portal continues to be its Web site (<http://www.KernCOG.org>). The Kern COG Web site contains an extensive array of information and documentation. The home page provides an overview of Kern COG’s roles and responsible as well as the latest developments, employment and contracting opportunities and documentation. The website menus are located toward the top of the site.

Kern COG produces and publishes a quarterly e-newsletter, “Kern COG Quarterly” that is circulated to stakeholders as well as available on the website. The newsletter contains items of regional significance, highlights COG and member agency projects, and provides information on upcoming public meetings, events and activities around Kern County.

During the audit period, Kern COG released an Annual Report each fiscal year. Each Annual Report provides an overview of Kern COG activities for the year including the Executive Director's Report, and grouped by major function such as Administration, Short and Long-Range Planning, Public Transit, Non-Motorized Transportation, and Technical Services. Both quarterly and annual reports communicate several messages including marketing the achievements of the agency while educating the public and local jurisdictions about Kern COG's goals and contribution to the transportation network.

Grant Applications and Management

In accordance with Executive Order 12372, Kern COG is designated the Local Clearinghouse for the Kern region. Kern COG's primary responsibility is to review and comment on local applications for state and federal funding assistance. Kern COG serves as the clearinghouse for federal grant applications that are reviewed to determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. The COG's role for the Kern County region is to review and be an integral part to state and federal funding assistance that promote inter-jurisdictional coordination.

Kern COG assists the transit operators with obtaining federal grants from the FTA by ensuring the programming of resources and projects in the appropriate federal implementation plans. Federal grants have played an important role in funding continued operations and capital replacement of the transit operators. FTA Section 5307 funds have been used for urban operations for Golden Empire Transit and City of Delano, while FTA Section 5311 transit funds have been procured for rural transit operating assistance for other operators. Kern COG also assists with administering other federal transit grant programs including FTA Section 5304 (Statewide Planning), 5310 (Elderly and Disabled Specialized Transit Program), 5316 (Jobs Access and Reverse Commute) and 5317 (New Freedom).

In addition, Kern COG conducted a call for projects process to distribute State Proposition 1B PTMISEA monies. Four cities, the County of Kern and Golden Empire Transit will share \$9.5 million for public transportation projects out of Proposition 1B bond funds sold in early 2012. Arvin, California City, Ridgecrest, Wasco, Golden Empire Transit District and County of Kern will all receive money for projects such as: vehicle security fences; park-and-ride lots; compressed natural gas buses and vans; new bus bench shelters; the expansion of a transit maintenance garage; and other important projects.

Section V

Findings and Recommendations

The following material summarizes the major findings obtained from the Triennial Audit covering FY's 2010 through 2012. A set of recommendations is then provided.

Findings

1. Kern COG has complied with most State legislative mandates for Regional Transportation Planning Agencies. Two compliance measures were not applicable during the audit period pertaining to TDA Article 4.5 claims, and development of an intermediate farebox ratio. Two additional measures were in partial compliance (completion of claimant and Kern COG fiscal audits).
2. Kern COG staff has made an effort during the audit period to clean up its fiscal audit process and work with the TDA claimants to complete and submit their respective fiscal audits. Although both claimant and Kern COG fiscal audits were submitted past the statutory timelines, changes in COG administrative staff have resulted in improved procedures and more proactive measures to ensure TDA claims are submitted and fund disbursements made in a timely manner.
3. Of the three prior performance audit recommendations, Kern COG fully implemented two recommendations, and partially implemented the third relating to the submission of fiscal audits within specified timeframe.
4. Kern COG underwent significant changes in its management staffing during the audit period. A new Executive Director was hired in June 2012 to replace the former director who retired after a long tenure with the agency. Also, from the death of the former Assistant Director in FY 2008-09, TDA related responsibilities were separated between two new positions, one being a Director of Administrative Services, and the other being a Fiscal Services Officer. These positions were created in FY 2009-10 and filled by the Administrative Analyst and Administrative Assistant, respectively. These changes provide an impetus to update existing policies and procedures.
5. New management staff made an effort to improve the operating and financial policies and procedures of the agency. Actions have included working closely with the local jurisdictions to assist them with submitting past TDA claims so funds could be distributed in a timely manner.
6. Kern COG undertook an update to the Regional Transportation Plan (RTP) which is Kern COG's long-range planning document that guides the development of transportation in Kern County. The last RTP was prepared in 2011 for a 20-year horizon. The 2014 RTP incorporates

the sustainable communities strategies (SCS) mandated pursuant to Senate Bill (SB) 375, as well and the Congestion Management Program (CMP). The public participation requirements for development of the SCS were met through Kern COG's public participation plan that meets federal requirements. An environmental justice grant enabled COG to conduct outreach to Native American tribes, including the federally recognized tribe in Tejon Ranch.

7. Kern COG conducted several Transportation Development Plans (TDPs) during the audit period. Three TDPs were prepared for California City, Delano and Tehachapi in 2011-12 to improve public transit options for city residents. In April 2012, the Metropolitan Bakersfield Transit System Long-Range Plan (LRP) was developed that was a collaborative effort among the Golden Empire Transit District (GET), Kern COG, and a consultant team. The LRP included recommended changes to transit service in the short (2013-2020), medium (2021-2025) and long (2026-2035) Terms.
8. Kern COG's assistance to the transit claimants is evolving as a result of updated financial policies and changes in financial administrative staff. Transit operators and Kern COG meet as part of the Social Services Transportation Advisory Council (SSTAC) to discuss coordination and training, legislative issues, and share in the performance data. Kern COG is working with claimants who have not submitted claims over long stretches of time to complete and submit the proper claims and supporting documentation for TDA fund disbursement. Communication is improving between the COG and local jurisdictions during the claims process with regard to timing and expectations of fund disbursement as part of COG's efforts to assist with the filing and claims request.

Recommendations

1. Develop a tickler file of key TDA claims dates.

In its current efforts to assist the local jurisdictions with their TDA claims, Kern COG should develop a reference tickler file of key dates that serve as a reminder of when various activities and deliverables are due. The tickler file could simply be a listing of dates and activities during the year. A sample of such a file is provided in an appendix to this report.

2. Update the Kern COG TDA Rules and Regulations

The existing TDA rules and regulations developed by Kern COG are dated from 1990. Although the TDA rules and regulations and claims forms have been integrated into the agency's master Policies and Procedures Manual with some edits, Kern COG should review and ensure that the document reflects the current claims process and updates contained in the latest TDA statutory guidelines published by Caltrans (April 2013). In addition, the list of eligible TDA claimants should be updated while some language in the sample claims form should also be updated. For example, for federal funds, the term "UMTA" is used in the sample claims budget section, which has been changed to "FTA Section" grants under prior federal ISTEA legislation.

3. Maintain diligence in providing technical assistance to local jurisdictions enabling the release and disbursement of TDA funding.

Kern COG has been improving the timeliness in disbursement of TDA funds to the claimants, although there remain unallocated apportionments from prior years for a few claimants. These funds can be disbursed once Kern COG receives a completed claim, and then approves the funds. Kern COG has been assisting the local jurisdictions with these activities and should maintain these efforts moving forward. Improved COG financial policies will help with facilitating the disbursement of funds.

4. Develop and implement an updated checklist of standard assurances for TDA transit claims.

The purpose of the standard assurances form allows each operator to certify that all conformance requirements are satisfied to receive both LTF and STA funds. These standard assurances are typically listed in a checklist format in the TDA claims and should be reviewed and signed off by the transit claimant prior to submittal of the claim. Kern COG, in turn, would verify compliance for each applicable measure prior to approving the claim for funding. Examples are the timely conduct of the annual state controller and fiscal audits, submittal of CHP compliance certificates, and full use of available federal funding.

The appendix to this audit shows a sample Standard Assurances list that could be included as part of the forms submitted by the transit claimants. This list, which would be signed and

initialized by the appropriate claimant and used as a checklist by Kern COG, serves as an annual reminder of specific TDA compliance measures.

Appendix A
Summary of Important TDA Report Dates

SUMMARY OF IMPORTANT TDA REPORT DATES

(With references to Statutes and Regulations)

January 31	State Controller sends preliminary STA estimate to TPA's, CTC's, and MTDB. (PUC Sec 99312.7)
February 1	County auditor furnishes LTF estimate to TPA. (CCR Sec 6620)
March 1	TPA advises LTF claimants of anticipated area apportionments within the county. (PUC Sec 99230, CCR Sec 6644)
April 1	Claimants file for LTF and STA funding with TPA. (CR Sec 6630, 6732)
June 30	TPA conveys LTF allocation instructions to LTF claimants and to the county auditor. (PUC Sec 99235, CCR Sec 6659)
June 30	TPA, CTC, and MTDB transmit fiscal audit to State Controller. (CCR 6662)
August 1	State Controller sends revised STA estimates to TPA, CTC, and MTDB. (PUC Sec 99312.7)
August 15	TPA submits unmet transit needs finding documentation to Caltrans. (This date is flexible. See PUC Section 99401.6.)
September 1	TPA, CTC, and MTDB provide to Caltrans and the State Controller a schedule of performance audit reports to be submitted during that fiscal year and a list of all the entities subject to performance audits. (CCR Sec 6664.5)
September 30	Claimants submit reports on extension of services to TPA. (CCR Sec 6633.8)
September 30	TPA, CTC, and MTDB submit annual financial transaction reports to the State Controller. (PUC Sec 99406, 6660)
September 30	Operators and transit service claimants submit reports of operation to TPA, CTC, MTDB, and the State Controller. (PUC Sec 99243, CCR Sec 6637)
October 1	Non-transit claimants submit expenditure reports to State Controller. (6665)
December 30	Transportation planning entity submits fiscal and compliance audit of its STA fund to the State Controller. (CCR Sec 6751)
December 30	All claimants submit certified fiscal and compliance audit (unless granted 90-day extension) to TPA, CTC, MTDB, and to the State Controller. (PUC Sections 99245, 99276, CCR Sections 6663, 6664)
December 30	All county auditors submit fiscal and compliance audits of LTF to TPA, CTC, MTDB, and the State Controller. (CCR Sec 6661)
Quarterly	County auditor reports status of funds to TPA, CTC, and MTDB. (CCR 6622)
Triennially	Performance audits of TPA's, CTC's, and MTDB will be submitted to Caltrans. TPA's, CTC's, and MTDB will certify to the Director that performance audits of operators under their jurisdiction have been completed. (PUC Sections 99246-99249)

Appendix B

Sample TDA Claim Standard Assurances

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

Claimant _____

Fiscal Year **2012** (Project Year)

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

Initials

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

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

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

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

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

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

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

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

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

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

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

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

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

(Legal Name of Applicant/Claimant)

(Authorizing Signature)

(Print Name and Title)