



TDA Triennial Performance Audit FY 2018/19 - FY 2020/21

City of Wasco

Kern Council of Governments
Final Report
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Chapter 1 | Executive Summary

In Spring 2023, the Kern Council of Governments (Kern COG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve transit operators to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to complete an independent audit on a three-year cycle in order to maintain TDA funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Wasco as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates TDA funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the City of Wasco's public transit program for the period Fiscal Year 2018/19 through Fiscal Year 2020/21.

The City of Wasco operates the Wasco Dial-A-Ride, a curb-to-curb, demand-response service open to the general public. The service operates within Wasco city limits, with additional service provided to the nearby state prison. Service hours are Monday through Friday from 8:00 a.m. to 4:00 p.m. with a break for lunch between 12:00 p.m. and 1:00 p.m. There is no service on weekends or designated holidays. All vehicles are ADA-compliant. Advance reservations are required.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require 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. The audit team concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This 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*.

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior report recommendations,
3. Analysis of program data reporting,
4. Performance Audit, and
5. Functional review.

Test of Compliance

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2018/19 farebox recovery ratio was 9.76 percent, less than the required 10 percent.

Status of Prior Recommendations

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

1. [Use the TDA definition in calculating FTE for reporting to the State Controller.](#)
Status: Implemented.
2. [Identify strategies to bring the farebox recovery ratio above 10 percent.](#)
Status: Implementation in progress.
3. [Increase or revise staffing to ensure full coverage.](#)
Status: No longer relevant.
4. [Update the City's 2008 Dial-A-Ride Service Policy and Procedures manual.](#)
Status: Implementation in progress.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the City of Wasco:

1. The FY 2018/19 farebox recovery ratio was 9.76 percent, less than the required 10 percent.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The City is delinquent in its submittal of TDA Claims to Kern COG.

In completing this Triennial Performance Audit, the audit team submits the following recommendations for City of Wasco's public transit program. 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 operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure in future years the farebox recovery ratio is at least 10 percent, even if supplementation is necessary.	High	FY 2023/24
Functional Recommendations		Importance	Timeline
1	Work to file TDA claims to get caught up to current with respect to transit funding.	High	FY 2023/24

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Chapter 2 | Review Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Wasco's public transit program covers the three-year period ending June 30, 2021. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain TDA funding eligibility.

In Spring 2023, the Kern Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve transit operators to which it allocates TDA funding for fiscal years 2018/19 through 2020/21. Moore & Associates, Inc. is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

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

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require the audit team plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

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

Objectives

A Triennial Performance Audit has five primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Review the accuracy of data reporting;
4. Evaluate the efficiency and effectiveness of the transit operator; and
5. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the City of Wasco included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
5. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

The methodology for the Triennial Performance Audit of the City of Wasco included thorough review of documents relevant to the scope of the audit, as well as information contained on the City's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;

- Customer complaint logs; and
- Organizational chart.

Given the impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with the City of Wasco representatives on June 29, 2023. The audit team met with Luis Villa (Public Works Director), Maria Lara (Assistant City Manager), Monica Flores (Deputy City Clerk), Maria Martinez (City Clerk), and Nancy Vera (Human Resources), and reviewed materials germane to the triennial audit. A follow-up conversation with Isarel Perez-Hernandez (Finance Director), who was unable to attend the site visit, took place on July 7, 2023.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review 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,
 - Data analysis,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the City of Wasco's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The Kern Council of Governments considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with City staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

One compliance issue was identified for the City of Wasco:

1. The FY 2018/19 farebox recovery ratio was 9.76 percent, less than the required 10 percent.

Developments Occurring During the Audit Period

The FY 2018/19 – FY 2020/21 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how COVID-19 impacted the organization, but how it responded to the crisis.

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

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

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8. Only AB 90 was in effect during this audit period, though both assembly bills are detailed below.

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

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

Assembly Bill 149, signed into law on July 16, 2021 (and therefore not in effect during the audit period), provides additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extends the provisions of AB 90 through FY 2022/23 as well as provides additional regulatory relief including:

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

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

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2018/19: January 30, 2020 FY 2019/20: January 26, 2021 FY 2020/21: January 31, 2022
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2018/19: March 31, 2020 FY 2019/20: December 30, 2020 FY 2020/21: December 31, 2021
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	April 11, 2018 April 16, 2019 April 28, 2020 April 20, 2021
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	While submitted claims were in compliance with Kern COG's rules and regulations, claims have yet to be submitted for FY 2019/20 or later.
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Confirmed in TDA claim certifications.
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2018/19: -3.87% FY 2019/20: +4.33% FY 2020/21: +17.16% Greater than 15% increase in FY 2021 due to increases in insurance and retirement contributions. <i>Source: City of Wasco Public Transit budgets, FY 2019 – FY 2021.</i>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Finding	FY 2018/19: 9.76% FY 2019/20: 6.72% (waived) FY 2020/21: 0.89% (waived) <i>Source: TDA fiscal audits, FY 2019 – FY 2021.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	The City is a member of the state's CalPERS retirement system.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for capital purposes.	PUC 99314.6	In compliance	
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the City of Wasco has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

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

1. [Use the TDA definition in calculating FTE for reporting to the State Controller.](#)

Discussion: The prior audit noted during the site visit that not only was the City calculating FTE incorrectly, but it also failed to report that data on the State Controller Report. Beginning in FY 2015/16, the City did report this data to the State Controller, but it was noted during the site visit that it was still being miscalculated. It appeared a person-count was being used to calculate FTE, which did not take into account any time worked by non-driver staff (such as Finance or Maintenance).

This recommendation was carried forward from the prior two triennial performance audits. The prior auditor recommended the City use payroll records to document the total amount of time spent on transit by all employees, and use that figure (divided by 2,000) to calculate FTE for reporting to the State Controller. That should include drivers and dispatchers as well as those who provide customer service, maintenance, reporting, grant preparation, administration, etc. The prior auditor noted that if payroll data was not available, then the number of hours could be estimated based on the percentage of a position that is dedicated to transit.

Progress: All City employees providing services to transit operations track their time via timesheets and submit them to the Finance Department. The Finance Department then calculates full-time equivalent (FTE) according to the TDA definition.

Status: Implemented.

2. [Identify strategies to bring the farebox recovery ratio above 10 percent.](#)

Discussion: In FY 2017/18, the State Controller Report determined the City's farebox recovery ratio to be 9.65 percent. (The FY 2017/18 TDA fiscal audit was not provided for review.) This was likely due to a significant increase in operating cost in FY 2017/18. The prior auditor recommended the City should identify strategies to raise the farebox recovery ratio, either by reducing operating cost, increasing fare revenue, or identifying sources of local supplementation.

Progress: In FY 2018/19, the audited farebox recovery ratio was 9.76 percent. While this rounds to 10 percent, it was considered out of compliance by the TDA fiscal auditor for that year, and continues to warrant improvement in order to ensure future compliance once the waivers from penalties under AB 149 expire after FY 2022/23.

Status: Implementation in progress.

3. Increase or revise staffing to ensure full coverage.

Discussion: At the time of the previous audit, a driver absence (whether due to illness or vacation) resulted in service capacity being reduced by half (going from two vehicles to one vehicle). This affected trip availability on days when one driver was unavailable.

This recommendation was carried forward from the prior audit. The prior auditor recommended the City should identify strategies to supply an additional driver that can be called upon to substitute for one of the regular drivers and provide additional capacity if warranted. One option was to hire a part-time driver. Another option was to train and license an existing employee who would have the flexibility to drive when one of the regular drivers is absent. The transit fund would only have to cover that employee's hours on an as-needed basis, but the individual's regular staff position would need to be flexible enough to provide coverage as needed.

Progress: The City currently has two full-time drivers. Due to the decrease in demand following the COVID-19 pandemic, service can typically be managed by a single driver in situations when the second driver is unavailable. The City still maintains an opening for a part-time driver, though it is not currently advertising for the position at this time due to a lack of interest and an unsuccessful hire. As ridership recovers and demand increases, it may be necessary to restart more aggressive hiring for this position.

Status: No longer relevant.

4. Update the City's 2008 Dial-A-Ride Service Policy and Procedures manual.

Discussion: Given that the City's transit operations are conducted with fewer staff positions than when the Dial-A-Ride manual was created in 2008, the auditors in 2013 and 2016 recommended the City update its resource manual for DAR employees. The update should include updated roles, responsibilities, and protocols reflective of current staffing levels. The City continued to utilize the 2008 manual.

The prior auditor recommended the City should update its Dial-A-Ride Service Policy and Procedures Manual to reflect the current organizational structure and staffing, as well as any changes to the service delivery policies and procedures.

Progress: An update to the manual is pending, with completion anticipated for FY 2023/24.

Status: Implementation in progress.

Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the City of Wasco to the State Controller and Federal Transit Administration specific to the audit period. Submissions to these entities were included within the State Controller's Transit Operators Financial Transactions Report (FTR) and the National Transit Database (NTD) report, respectively.

Exhibit 5.1 provides a comparison between performance data reported within the FTR and NTD reports for the current audit period (ending FY 2018/19 through FY 2020/21) and the data reported via TDA fiscal audits. All data, with the exception of operating cost, was reported consistently between all reports.

- **Operating Cost:** This measure was reported consistently between the TDA fiscal audits and the State Controller Report two of the three years of the audit period. However, the variance in the NTD reporting may be due to the inclusion of depreciation amounts or other costs in data reported to the NTD that are not included elsewhere.
- **Ridership:** While this metric is reported consistently overall, in FY 2020/21 the passengers documented on the monthly performance report was 1,597, compared to 1,397 as reported to the NTD and on the FTR. The nature of the variance suggests that there may be an error in reporting rather than a difference in documentation.

Exhibit 5.1 Data Reporting Consistency

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$326,058	\$341,594	\$284,254
<i>National Transit Database</i>	\$373,142	\$374,781	\$340,692
<i>State Controller Report</i>	\$317,123	\$341,596	\$283,253
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$31,839	\$22,962	\$2,517
<i>National Transit Database</i>	\$31,839	\$22,962	\$2,517
<i>State Controller Report</i>	\$31,839	\$22,962	\$2,516
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	3,582	2,350	399
<i>National Transit Database</i>	3,582	2,350	399
<i>State Controller Report</i>	3,582	2,350	399
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	36,969	25,105	3,197
<i>National Transit Database</i>	36,969	25,105	3,213
<i>State Controller Report</i>	36,969	25,105	3,215
Passengers			
<i>Monthly Performance Reports</i>	25,297	18,805	1,597
<i>National Transit Database</i>	25,297	18,805	1,397
<i>State Controller Report</i>	25,297	18,805	1,397
Full-Time Equivalent Employees			
<i>State Controller Report</i>	2	2	2

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records.

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

Operating cost – as defined by PUC Section 99247(a) – excludes the following:

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.² For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media. (Fare revenue does not include additional local revenues that can be used to supplement the farebox recovery ratio.)

² A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for the City of Wasco, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via TDA fiscal audits for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported to the State Controller and NTD and was determined to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare Revenue data were obtained via TDA fiscal audits for each fiscal year covered by this audit. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City's calculation methodology is based on times in and out of service and is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. This methodology is based on odometer readings and consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City's calculation methodology, which is based on driver logs, is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) methodology was provided by the City and is consistent with the TDA definition (hours worked divided by 2,000).

System Performance Trends

System-wide, operating cost experienced a net 10.7 percent decrease during the audit period and a 69.3 percent net increase across the six-year period. The overall increase was due primarily to a significant increase in operating cost in FY 2017/18. Given there was no significant change to service that year, the increase was due to increased personnel costs and "other operating expenses." In addition, the reporting form for the State Controller changed in FY 2017/18, which may have affected how data was reported.

Fare revenue experienced a small increase in FY 2018/19 (8.4 percent) before decreasing significantly in FY 2019/20 and FY 2020/21. Fare revenue decreased 92.1 percent during the audit period. This is due primarily to the service being suspended between March 2020 and April 2021.

Vehicle Service Hours (VSH) experienced a pattern similar to fare revenue. VSH saw a net 82.6 percent decrease over the six-year period, with most of that occurring in FY 2019/20 and FY 2020/21. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 88.5 percent decrease over the six-year period. Ridership decreased every year, though these declines were greatest during the audit period. Overall, ridership experienced a net decrease of 94.5 percent during the audit period, and 92 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour, vehicle service mile, and passenger all increased significantly during the audit period, reflective of a decline in efficiency. Productivity also declined significantly, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the COVID-19 pandemic on transit operations and ridership.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$167,309	\$175,509	\$304,534	\$317,123	\$341,596	\$283,253
Annual Change		4.9%	73.5%	4.1%	7.7%	-17.1%
Fare Revenue (Actual \$)	\$21,169	\$31,732	\$29,374	\$31,839	\$22,962	\$2,516
Annual Change		49.9%	-7.4%	8.4%	-27.9%	-89.0%
Vehicle Service Hours (VSH)	2,292	3,579	3,445	3,582	2,350	399
Annual Change		56.2%	-3.7%	4.0%	-34.4%	-83.0%
Vehicle Service Miles (VSM)	28,040	34,704	34,571	36,969	25,105	3,215
Annual Change		23.8%	-0.4%	6.9%	-32.1%	-87.2%
Passengers	17,507	25,239	25,597	25,297	18,805	1,397
Annual Change		44.2%	1.4%	-1.2%	-25.7%	-92.6%
Employees	2	2	2	2	2	2
Annual Change		0.0%	0.0%	0.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$73.00	\$49.04	\$88.40	\$88.53	\$145.36	\$709.91
Annual Change		-32.8%	80.3%	0.2%	64.2%	388.4%
Operating Cost/Passenger (Actual \$)	\$9.56	\$6.95	\$11.90	\$12.54	\$18.17	\$202.76
Annual Change		-27.2%	71.1%	5.4%	44.9%	1016.2%
Passengers/VSH	7.64	7.05	7.43	7.06	8.00	3.50
Annual Change		-7.7%	5.4%	-5.0%	13.3%	-56.2%
Passengers/VSM	0.62	0.73	0.74	0.68	0.75	0.43
Annual Change		16.5%	1.8%	-7.6%	9.5%	-42.0%
Farebox Recovery	12.7%	18.1%	9.6%	10.0%	6.7%	0.9%
Annual Change		42.9%	-46.7%	4.1%	-33.0%	-86.8%
Hours/Employee	1,146.0	1,789.5	1,722.5	1,791.0	1,175.0	199.5
Annual Change		56.2%	-3.7%	4.0%	-34.4%	-83.0%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.97	\$5.06	\$8.81	\$8.58	\$13.61	\$88.10
Annual Change		-15.2%	74.2%	-2.6%	58.6%	547.5%
VSM/VSH	12.23	9.70	10.04	10.32	10.68	8.06
Annual Change		-20.7%	3.5%	2.8%	3.5%	-24.6%
Fare/Passenger	\$1.21	\$1.26	\$1.15	\$1.26	\$1.22	\$1.80
Annual Change		4.0%	-8.7%	9.7%	-3.0%	47.5%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.
FY 2018/19 – FY 2020/21 data from State Controller Reports.

Exhibit 6.2 System Ridership

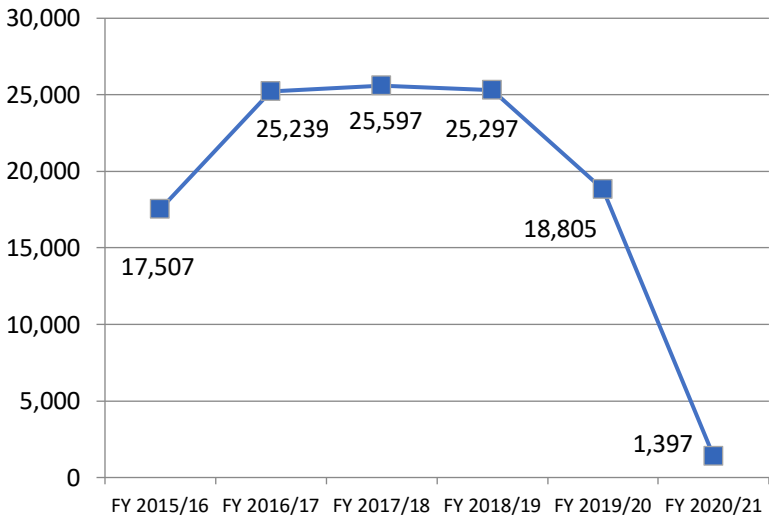


Exhibit 6.3 System Operating Cost/VSH

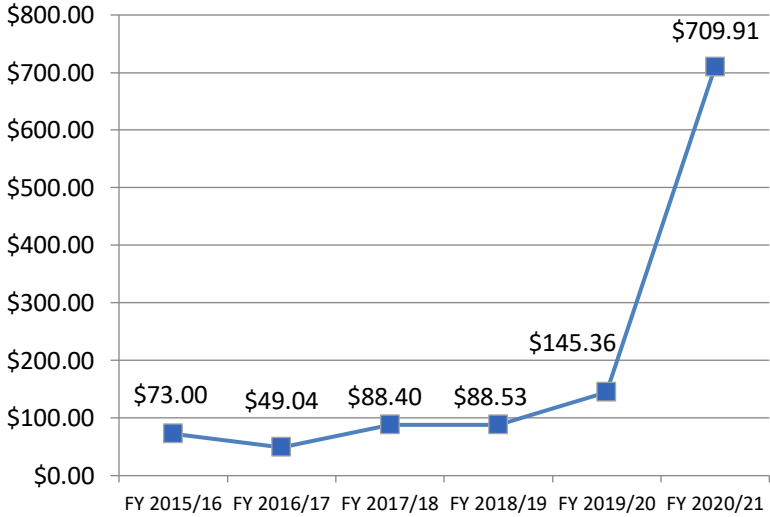


Exhibit 6.4 System Operating Cost/VSM

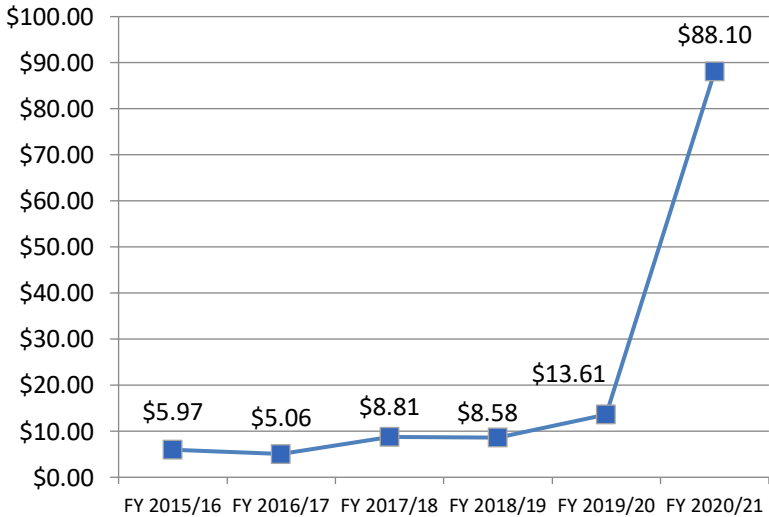


Exhibit 6.5 System VSM/VSH

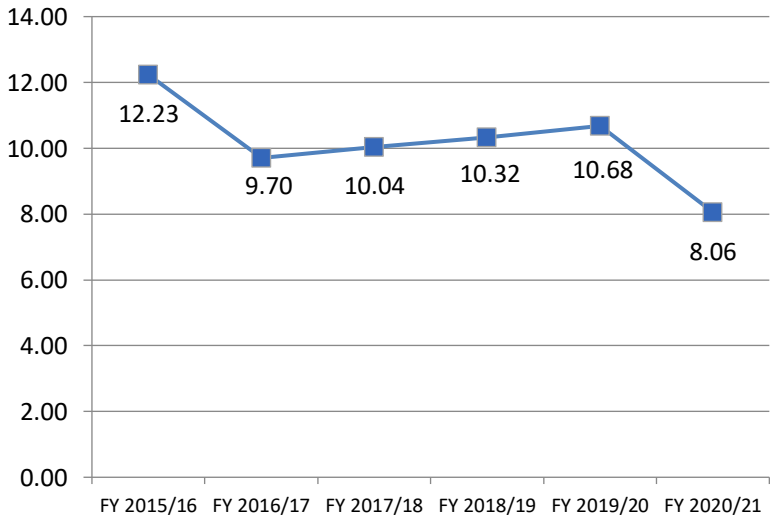


Exhibit 6.6 System Operating Cost/Passenger

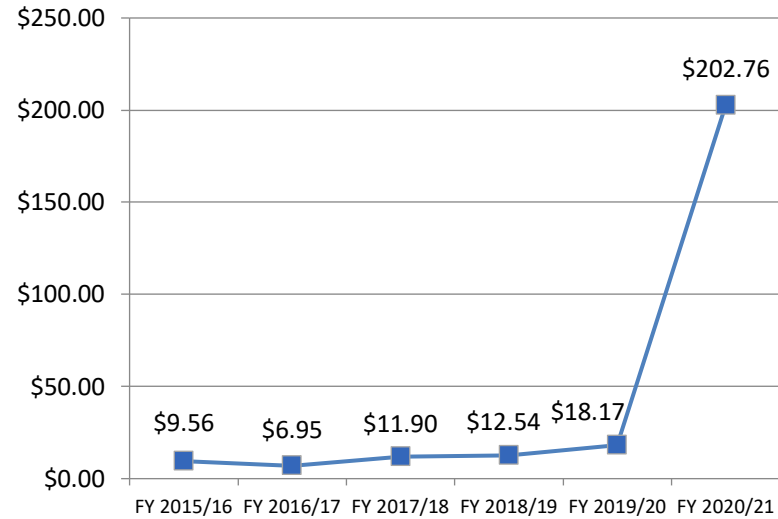


Exhibit 6.7 System Passengers/VSH

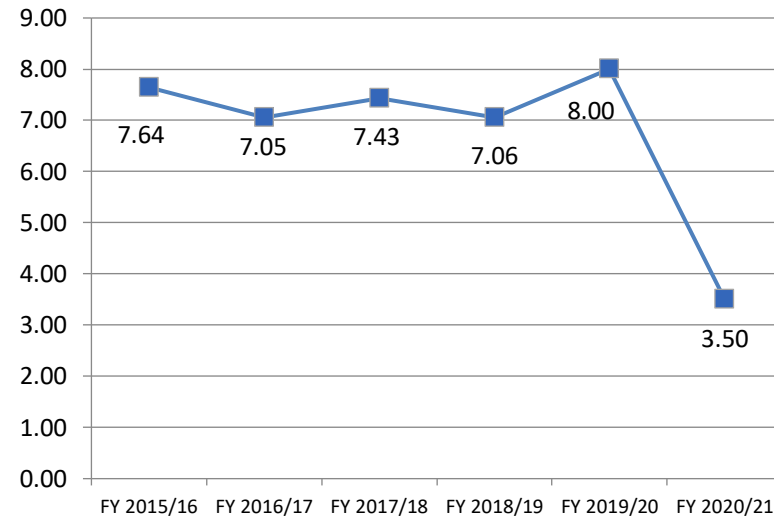


Exhibit 6.8 System Passengers/VSM

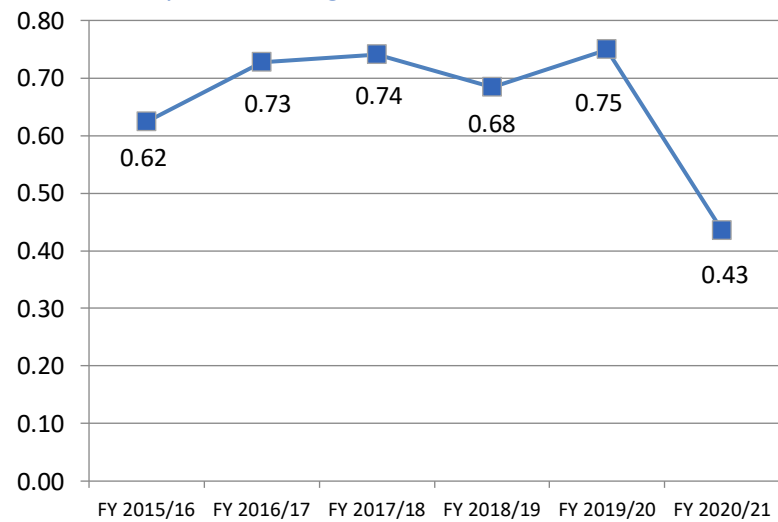


Exhibit 6.9 System VSH/FTE

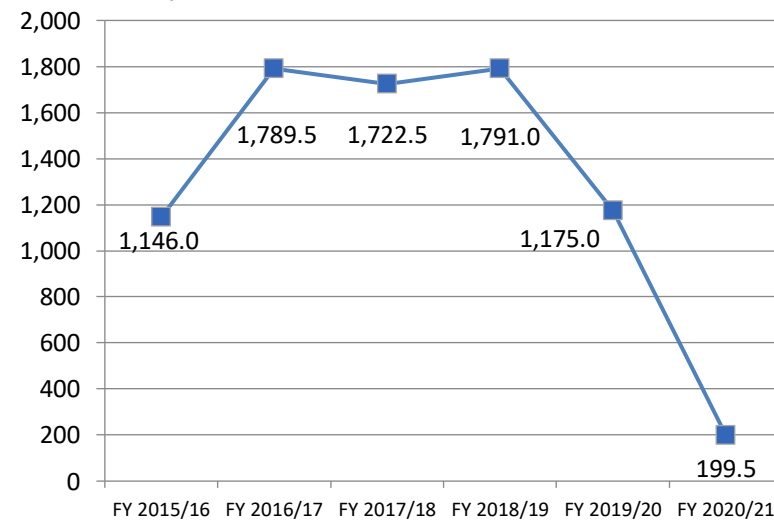


Exhibit 6.10 System Farebox Recovery

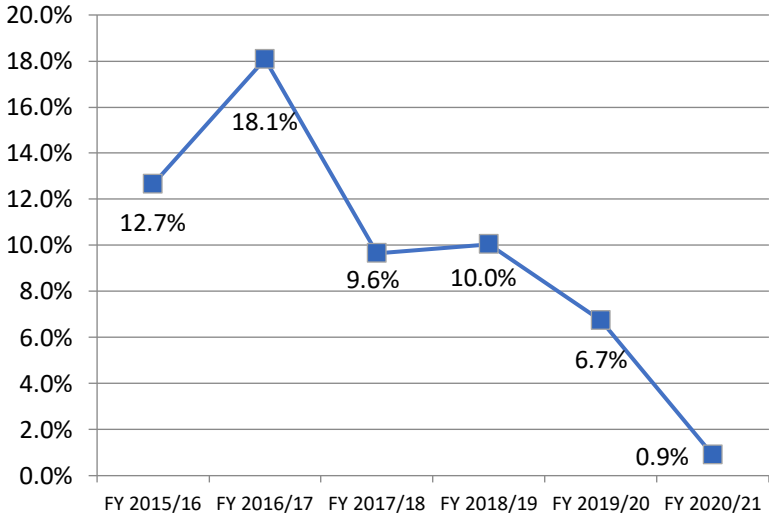
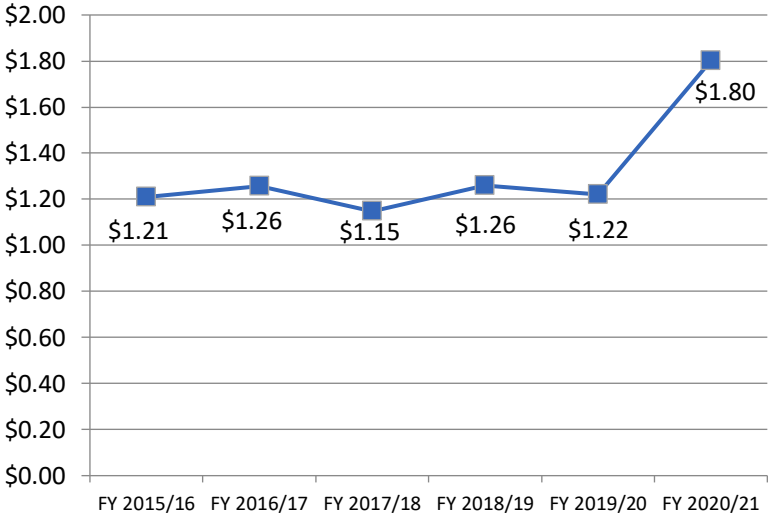


Exhibit 6.11 System Fare/Passenger



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Chapter 7 | Functional Review

A functional review of the City of Wasco’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the City of Wasco through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.



Service Overview

The City of Wasco operates the Wasco Dial-A-Ride, a curb-to-curb, demand-response service open to the general public. The service operates within Wasco city limits, with additional service provided to the nearby state prison. Service is limited to paved and maintained roads only. Service hours are Monday through Friday from 8:00 a.m. to 4:00 p.m. with a break for lunch between 12:00 p.m. and 1:00 p.m. There is no service on weekends or designated holidays. All vehicles are ADA-compliant. Advance reservations are required.

Trips are not prioritized based on trip purpose or trip type. Passes are available in lieu of cash fares and must be purchased at the City Hall Annex or by mail.

Exhibit 7.1 Fare Structure

Passenger	One-Way Fare
Adult (within Wasco)	\$1.75
Adult (to state prison)	\$2.00
Seniors (62+)/Disabled	\$1.00
Youth (5-10)	\$1.00
Children (0-4)	\$0.25

Exhibit 7.2 Pass Pricing Structure

Passenger	Number of Rides	Pass Cost
Senior (62+) and Disabled Discount	11	\$10.00

Response to COVID-19 Pandemic

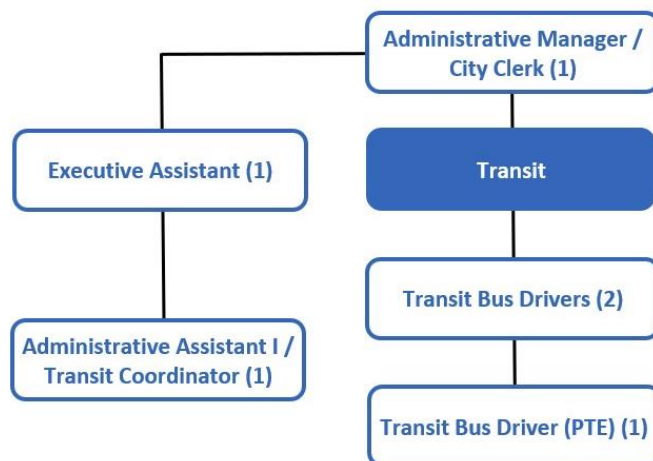
The City's transit service was suspended from March 17, 2020 to April 4, 2021 as a result of the COVID-19 pandemic. The City continued to employ workers during the shut down, which was the primary cause of the resultant extremely low farebox recovery ratio in FY 2020/21. Once services resumed, CDC and FTA protocols regarding limited passenger capacity and mask mandates were implemented. Safety barriers were also installed to separate the driver and the passengers. The City lost a driver due to COVID and services were impacted by this loss. The pandemic showed the need to update transit systems, implement contactless payment, and maintain preparedness to respond to emergencies.

Overall, staff is proud of the resiliency of Wasco Transit. It has received a great deal of support from the community, which has made some of the challenges of the COVID-19 pandemic a bit easier to bear. Members of the community appreciate the drivers and exhibited understanding about why it was necessary for the service to be shut down for a full year. The City feels it has a good team with solid experience and is looking forward to future growth and success.

General Management and Organization

The City's transit program is operated in-house by City employees. It has experienced a change in management since the beginning of the audit period. The transit program previously was under the oversight of the Finance Manager, and has since shifted to the Administrative Manager who reports to the City Manager. Performance is monitored using RouteMatch, which was implemented in April 2021. The system documents driver performance and generates daily and monthly performance reports.

Exhibit 7.3 Transit Organizational Chart



The Wasco City Council is the governing body for the City's transit service. Council meetings are held at City Hall (746 8th Street) on the first and third Tuesdays of each month at 6:00 pm. Voters elect the five-member City Council to four-year overlapping terms. The City Council selects one of its members to serve as Mayor and appoints a City Manager to conduct the day-to-day business of the City. The City does not have a citizens' advisory committee specific to transportation. During the audit period, the City used funds from the State of Good Repair program to upgrade its CNG fuel station.

The program is currently staffed by two full-time drivers. During the audit period, the City sought to fill a part-time driver position to provide coverage for full-time driver absences. While a part-time driver was hired, the City was unable to retain that driver. Further recruitment of a part-time driver has been put on hold and will return when demand increases. The transit program requires specialized certification that is a challenge to fulfill, as the City does not offer training for full certification. In addition, many candidates are not interested in working part-time hours.

The relationship between the City and the Kern Council of Governments is positive and effective. A member of the Wasco City Council serves on the transportation planning and policy committee and the Administrative Manager serves on the social service technical advisory committee. The Deputy Public Works Director serves as a member of the transportation technical advisory committee.

The Assistant City Manager and the Administrative Manager act as the liaisons between the City and other governmental organizations.

Service Planning

The Kern Council of Governments (RTPA) is responsible for transit planning for the City of Wasco through the periodic development of a Short Range Transit Plan (SRTP) or Transit Development Plan (TDP). The most recent TDP was completed in May 2016, and the Kern Rural Alternative Transit Plan was completed in 2020. Kern COG is in the process of identifying grants to fund updates to outdated planning efforts. However, given Wasco's TDP is one of the more recently completed plans, it is likely to be several years until it is updated. The City is in the process of preparing a zero-emission vehicle rollout plan to ensure compliance with the Innovative Clean Transit mandate (after obtaining an extension from the California Air Resources Board).

There have been no service or fare changes within the three-year period covered by this audit. A rider survey was conducted as part of the development of the 2016 TDP.

Administration

Budgeting is typically handled by the City Manager with the assistance of the Finance Department. The City uses Munis Enterprise Resource Planning (ERP) software for budgeting. The Assistant City Manager, Finance Director, and City Manager oversee grant compliance.

Responsibility for risk management is handled by Human Resources. The City is self-insured and has a process in place for accident/injury claims. The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The administrative manager addresses safety concerns during the department's monthly meetings.

An electronic time reporting system is used for payroll. Timecards are reviewed and approved (signed) three times – by the employee, supervisor, and department head. All hours are reviewed, and the employee has the opportunity to correct any errors. Payroll is processed in-house using the Munis system. Checks are signed by the Mayor, City Clerk, and City Treasurer (which is an elected position with a four-year term). Direct deposit is available to all employees, and the majority participate.

Accounts payable is separate from purchasing. There is a system in place to verify purchases. Any purchases greater than \$10,000 go out to bid and must be approved by the City Council. Bus procurement is handled by the Public Works Director and Finance department.

The City does not have an internal audit function. Brown Armstrong is currently under contract to conduct the City's annual TDA fiscal audits.

Marketing and Public Relations

The City's primary marketing tools are a bilingual brochure (English and Spanish) and a website with Dial-A-Ride information. A Spanish translation of the City's website is available through a Google Transit widget, which translates the page text but not the content of linked files. The City attends community events to promote the service and inform the public on the functions of the vehicles. The City does not advertise on its vehicles. All complaints come to city hall and are documented on paper and addressed when the complaint comes in. Overall, public perception is positive. Even during the service suspension, the public continued to call for service and once service resumed the public was very appreciative. Both drivers live in Wasco and are well-known in the community.

Scheduling, Dispatch, and Operations

The City's transit service is typically provided using two vehicles, with one vehicle reserved as a spare. If only one driver is available (due to illness or time off), the service is closed during the driver's one-hour lunch that day. Reservations are required 24 hours in advance. Dispatching is done manually, and drivers self-dispatch.

Fares are deposited into manual fareboxes onboard each vehicle. Drivers remove the vaults, count the fares at the end of their shifts, and verify the amount against the daily log. The City does not have a secure cash room. Fare counting takes place at an open desk in city hall. A second staffer in the finance department verifies the count. The money is taken to Finance where it is store in a safe. City deposits are picked up by armored car on a daily basis.

Personnel Management and Training

The City employs two full-time drivers, one since 2015 and the other since 2022. Both are full-time employees of the City and qualify for the City's benefit package. Recruitment is off and on, depending on demand. Recruitment advertising was published in the *Wasco Tribune* and the *Bakersfield Californian*, as well as on the City's website. Indeed reflects the postings on the City's website and Monster picks up postings from the *Californian*. All City employees are subject to the same disciplinary policies.

Drivers are represented by the Service Employees International Union (SEIU) Local 521. Both drivers have a Class B license with passenger endorsement and GPPV. The City's senior driver conducts initial driver training for new hires. Two hours of continuing training per year is also provided through the Kern County Superintendent of Schools or the Wasco school district. The City is in the process of discussing with nearby cities to assist in training efforts, and eventually would like to see if training for full certification can be brought in-house, or if a staff member can be formally trained as a trainer. Safety meetings take place twice annually through the school district.

Maintenance

The City provides most vehicle maintenance in-house. The maintenance program is monitored via MyGov. City mechanics conduct preventive maintenance employing a time-based PM plan (30- and 45-day). During the audit period, the City experienced a staffing shortage which resulted more work being sent out. Typically, the only work sent out is major repairs (such as drive trains). At the time of the site visit, the Maintenance department had hired in several positions and was fully staffed. Mechanics are not dedicated to transit, but time is tracked via maintenance logs.

The City's facility has a portable lift and a sufficient number of bays for the work that is conducted there. The maintenance facility serves all City vehicles and does not have a dedicated transit bay. The City has one spare van to maintain operations at full capacity. A fleet replacement plan is included in the City's Transit Asset Management (TAM) Plan. Parts are not difficult to obtain, with the exception of catalytic converters. Parts with a longer lead time generally require one week. No parts are stocked. The City does not contract out any maintenance services. The City would like to purchase lifts and specialized tools to do additional work in-house, as well as software to better track fleet maintenance.

Transit vehicles are gas- and CNG-fueled. Vehicles are equipped with wheelchair lifts, fire extinguishers, and first aid kits, but do not include bike racks. Any vehicle identified with safety issues is given priority for repairs. Downed vehicles are red-tagged and are not drivable until repaired. Maintenance advises the drivers regarding fleet status and upcoming preventive maintenance work. Emails and phone calls provide communications between drivers and maintenance staff.

Exhibit 7.4 Fleet Inventory

Vehicle #	Year	Make	Model	Type	PAX	WC	Mileage end of FY 2020/21
60	2016	Ford	E-450	Bus	14	2	81,101
63	2016	Ford	E-450	Bus	14	2	68,418
61	2014	Ford	E-150	Passenger Van		1	36,115
69	2012	Ford	E-150	Passenger Van			45,979

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Chapter 8 | Findings and Recommendations

Conclusions

With one exception, Moore & Associates, Inc. finds the City of Wasco 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.

Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2018/19 farebox recovery ratio was 9.76 percent, less than the required 10 percent.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The City is delinquent in its submittal of TDA Claims to Kern COG.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Wasco's public transit 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: The FY 2018/19 farebox recovery ratio was 9.76 percent, less than the required 10 percent.

Criteria: PUC 99268.4 requires a transit operator serving a non-urbanized (rural) area to achieve a farebox recovery ratio of 10 percent in order to be eligible for its full allocation of TDA funding. While AB 90 offered a waiver from penalties for FY 2019/20 and FY 2020/21, FY 2018/19 was still subject to this requirement.

Condition: In FY 2018/19, the City's farebox recovery ratio (as calculated by the TDA auditor) was 9.76 percent, just below the 10 percent requirement. While the ratio could be rounded to 10 percent, the TDA fiscal auditor found the City not to be in compliance with PUC 99268.4. The City was also out of compliance in FY 2017/18. It is unclear as to whether Kern COG withheld any funding following these findings, which should have taken place in FY 2020/21 and FY 2021/22. In prior years, the City applied local supplementation to the farebox recovery ratio in order to maintain compliance with the 10 percent requirement.

Cause: Changes in City staffing, along with a reorganization of the transit program, likely contributed to a lack of institutional knowledge about transit funding and compliance.

Effect: As a result, staff at the time may not have been well-versed in what needed to be done to ensure compliance.

Recommendation: Ensure in future years the farebox recovery ratio is at least 10.00 percent, even if supplementation is necessary.

Recommended Action: The City should ensure it has sufficient local supplementation in order to remain in compliance with the 10 percent farebox recovery ratio requirement. This could be through applying a sufficient amount of federal operating funds to the farebox revenue plus local supplementation calculation (as allowed under AB 149) or by applying City general funds in a sufficient amount.

Timeline: Beginning in FY 2023/24 (following the expiration of penalty waivers resulting from AB 149).

Anticipated Cost: Unknown.

Functional Finding 1: The City is delinquent in its submittal of TDA Claims to Kern COG.

Criteria: Under PUC 99261, Kern COG may adopt rules and regulations for the submittal of TDA claims. Filing these claims falls under the Administration function area.

Condition: The City of Wasco complies with the process set forth by Kern COG for filing TDA public transit claims. However, it has yet to file claims for any year beyond FY 2018/19.

Cause: Changes in staffing within the City are the most likely cause of the delinquent claims.

Effect: When claims are not filed, the City cannot receive the TDA funding allocated to it.

Recommendation: Work to file TDA claims to get caught up to current with respect to transit funding.

Recommended Action: The City's Finance department should work to file the delinquent claims as soon as possible, with a goal of getting caught up to current by the time TDA claims for FY 2024/25 are due.

Timeline: FY 2023/24.

Anticipated Cost: Variable, depending upon whether the claims are prepared by City staff or if outside assistance is desired.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure in future years the farebox recovery ratio is at least 10 percent, even if supplementation is necessary.	High	FY 2023/24
Functional Recommendations		Importance	Timeline
1	Work to file TDA claims to get caught up to current with respect to transit funding.	High	FY 2023/24

Exhibit 8.2 City of Wasco Response to Draft Audit

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City Manager's Office

(661) 758-7214 Fax (661) 758-5411
746 8th Street, Wasco, CA 93280
www.cityofwasco.org

September 19, 2023

RE: CITY OF WASCO TDA TRIENNIAL PERFORMANCE AUDIT, FY 2018/19 – FY 2020/21 Draft Report

Dear Kathy Chambers:

The City of Wasco has reviewed the report, and below, find our responses to the findings identified on the TDA Triennial Performance Audit FY 2018/19- FY 2020/21 Draft Report:

FINDING 1: The FY 2018/19 farebox recovery ratio was 9.76 percent, less than the required 10 percent.

CITY OF WASCO RESPONSE: The City of Wasco Finance Department is aware of the farebox recovery ratio and is working closely with the auditors and transit department to monitor expenses/revenue to ensure the 10% requirement is met moving forward. Additionally, the Finance Department is working closely with auditors to ensure audits are complete before filing the State Control Office Report, so these reports concurred.

FINDING 1: The City is delinquent in its submittal of TDA Claims to Kern COG.

CITY OF WASCO RESPONSE: The City has encumbered all the TDA LTF/STA funds for FY 19/20; FY 20/21; FY 21/22; and FY 2022/23, a total of (\$9,468,877.33) on future Adopted and Approved Capital Improvement Projects (Source: City of Wasco Adopted Capital Improvement Program Fiscal Year 2023/2024). The City recently purchased approximately 20 acres to construct a new public works yard, including a transit facility with the infrastructure needed to transition to zero-emission vehicles and alternative fuels. The new Transit Facility will include Electric Chargers, CNG fueling, a Dispatch Center, and a Maintenance shop to service the vehicles.

During the COVID-19 Pandemic, city projects were impacted, stopped, or subject to slowdowns due to supply chain issues and or lack of labor. The City anticipates submitting TDA Claims to Kern COG as these projects get completed.

The City of Wasco appreciates the feedback and partnership to ensure we meet TDA compliance requirements. Please let us know if you have any questions or need additional information.

Sincerely,

DocuSigned by:

740A5800F39347E...
M. Scott Hurlbert
City Manager
City of Wasco | 746 8th Street Wasco, CA 93280
P: (661) 758-7214 | F: (661) 758-5411 Cell: (661) 699-2394