

FY 2016-2018 TRIENNIAL PERFORMANCE AUDIT



PLUMAS TRANSIT SYSTEMS



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Submitted to:
Plumas County
Transportation Commission

Submitted by:

Michael Baker

INTERNATIONAL

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Section I

Introduction

California’s Transportation Development Act (TDA) requires that a Triennial Performance Audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Plumas County Transportation Commission (PCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Plumas County. This performance audit is conducted for Plumas Transit Systems (PTS) covering the most recent triennial period, fiscal years 2015–16 through 2017–18.

The purpose of the performance audit is to evaluate PTS’s effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates PTS’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether PTS is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of transit administrative and operational functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with County transit administration and with the transit coordinator from the contract operator, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

PTS is the regional general public transit provider for Plumas County. Administrative oversight of the transit services in the county is conducted through County Service Area (CSA) #12, a special service district formed in June 1982, and governed by the Plumas County Board of Supervisors. The transit service is operated under contract by Plumas Rural Services, a local nonprofit social services agency headquartered in Quincy.

Plumas County is located in northeastern California, topographically defined by the Sierra Nevada and Cascade Mountain Ranges which are composed of heavily forested rugged terrain and river canyons. The county is bordered by Lassen and Shasta Counties to the north, Sierra County to the south, Butte and Tehama Counties to the west, and Lassen County to the east.

The elevation ranges from 1,600 feet along the Feather River Canyon to more than 8,000 feet near Adams Peak in eastern Plumas County. Plumas County was established and incorporated on March 2, 1857. The county derives its name from the Spanish term for the Feather River (Rio de las Plumas), which traverses the region. The local economy is dominated by education, government, manufacturing, retail and wholesale trade, and hospitality and tourism. The agricultural sector in Plumas County is very small, accounting for less than 1 percent of all jobs in the county.

A demographic snapshot of key cities and the county is presented in Table I-1:

**Table I-1
Plumas County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older % (2010 US Census)	2012-2016 American Community Survey	2019 DOF Population Estimates
Total Plumas County	20,007	-3.9%	20.76%	18,754	19,779
City of Portola	2,104	-8.4%	14.45%	2,082	1,976
Unincorporated Area	17,903	-3.4%	21.50%	16,672	17,803
<i>Chester</i>	2,144	-7.4%	14.51%	2,195	n/a
<i>Graeagle</i>	737	-11.3%	43.01%	636	n/a
<i>Greenville</i>	1,129	-2.7%	16.83%	1,002	n/a
<i>Quincy (County Seat)*</i>	4,217	-1.4%	15.79%	4,331	n/a

Source: 2010 U.S. Census; 2012-2016 American Community Survey; California Department of Finance, 2019 Population Estimates
*Population data for Quincy reflects the combined census-designated data for the communities of Quincy and East Quincy.

The community of Quincy is the county seat and the City of Portola is the county’s only incorporated city. Quincy is the county’s largest census-designated place with a population of 4,217 based on the 2010 Census. The county has experienced a decrease in population between the 2000 and 2010 US Censuses. Plumas County has a large senior citizen population, composed of residents aged 65 and over. Based on the 2010 Census, seniors compose about 21 percent of the county’s population. The 2019 population for Plumas County is estimated to be 19,779 as reported by the California Department of Finance, a slight decline from the 2010 Census figures. Other communities and census-designated places include Chester, Graeagle, Greenville, Lake Almanor, Lake Davis, and Taylorsville.

Major highways include State Routes (SR) 36, 70, and 89. SR 70, the main east–west arterial, connects Plumas County to US Highway 395 (and on to Reno) to the east and to the junction of SR 70 and SR 99 near Oroville to the southwest. SR 89 is the main north–south arterial, connecting Plumas County to Truckee and Interstate 80 to the south and Lassen Volcanic National Park to the north. The other important highway is SR 36, which runs east–west, providing access to Susanville and Lassen County to the northeast and Red Bluff to the northwest. All the county’s major communities are adjacent to a major state highway.

System Characteristics

PTS operates three deviated fixed routes within the county. Route deviations are available within 0.75-mile of the regularly scheduled route for persons with disabilities who are unable to access designated stops. Flag stops are permitted mid-route between designated bus stops. In addition, PTS offers interline connections between its North County Route and routes operated by Susanville Rancheria Public Transportation and Lassen Rural Bus to neighboring counties. Connections to Susanville are made via Lassen Rural Bus at the Hamilton Branch stop. Connections to Redding and Red Bluff are made via Susanville Rancheria Public Transportation at the Holiday Market in Chester.

The transit system operates Monday through Friday from 6:00 a.m. to 9:15 p.m. and as late as 10:10 p.m. when Feather River College is in session. The service does not operate on weekends and the following holidays: New Year’s Day, Martin Luther King Jr. Day, Lincoln’s Birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, the Wednesday before Thanksgiving, Thanksgiving, the Friday after Thanksgiving, the day before Christmas Eve, Christmas Eve, Christmas, and New Year’s Eve. The following table contains details of each PTS route.

**Table I-2
Plumas Transit Systems Routes**

Route	Description	Frequency/Operation	Timepoints
East County	Portola/Graeagle - Quincy	Three westbound & Four eastbound trips (Monday through Friday from 6:20 a.m. to 9:15 p.m.) Extended evening service when Feather River College is in session (Monday through Friday from 6:20 a.m. to 10:10 p.m.)	<ul style="list-style-type: none"> ▪ T&W Apartments ▪ Sierra Energy ▪ Senior Housing ▪ Portola Post Office ▪ Graeagle Store ▪ Sav-Mor ▪ Relay Station ▪ Hwy 70 @ Quincy Jct Rd. ▪ Athletic Center ▪ Courthouse Annex ▪ Feather River Annex ▪ Plumas District Hospital
North County	Chester/Lake Almanor – Greenville - Quincy	Four southbound & four northbound trips (Monday through Friday from 6:05 a.m. to 8:10 p.m.) Extended evening service when Feather River College is in session (Monday through Friday from 6:05 a.m. to 9:50 p.m.)	<ul style="list-style-type: none"> ▪ Holiday Market ▪ Post Office ▪ Sierra Meadows ▪ Hamilton Branch ▪ Evergreen Trailer Park ▪ Taylorsville “T” ▪ Athletic Center ▪ Courthouse Annex ▪ Feather River Annex ▪ Plumas District Hospital ▪ Sav-Mor
Quincy Local	Quincy	Four AM & Four PM Trips	<ul style="list-style-type: none"> ▪ Drop In Center

Route	Description	Frequency/Operation	Timepoints
		(Monday through Friday from 7:09 a.m. to 5:03 p.m.) Extended evening service when Feather River College is in session: Six PM trips (Monday through Friday from 5:20 a.m. to 8:56 p.m.)	<ul style="list-style-type: none"> ▪ Sav-Mor ▪ Relay Station ▪ Hwy 70 @ Quincy Jct Rd. ▪ Athletic Center ▪ Courthouse Annex ▪ Feather River Annex ▪ Plumas District Hospital

Source: Plumas Transit Systems

PTS also operates a shuttle between Quincy and the Reno-Tahoe International Airport during the annual High Sierra Music Festival held in early July. Round-trip tickets are \$95.00. Effective September 2016, Plumas County Senior Transportation in coordination with PTS began operation of a weekly shuttle service between Plumas County and Reno. The service operates on Thursdays departing from the Veterans Halls in Quincy and Portola to several destinations in Reno such as the Reno Transit Center, Amtrak Depot, Greyhound, and the Reno-Tahoe International Airport. Connections are available from Chester to Quincy via the North County Route. The round-trip fare is \$10.00.

Fares

PTS’s fare structure is based on service area and distance traveled. Fares for stops between towns are calculated to the nearest town. Fare media consist of cash, tickets, and monthly passes. Seniors age 60 and older and eligible persons with disabilities receive a 50 percent discount on fares. Children age 7 and under ride free. The fare schedule is presented in Table I-3:

**Table I-3
Plumas Transit Systems Fare Schedule**

Category	One-Way Fares	Monthly Pass
Quincy Local Service	\$1.00	\$25.00
Portola to Quincy Service	\$4.00	\$100.00
Chester to Quincy	\$4.00	\$100.00
Graeagle or Cromberg to/from Quincy or Portola	\$2.00	\$60.00
Greenville or Crescent Mills to/from Quincy	\$3.00	\$75.00
Chester Local	\$1.00	n/a
Lake Almanor Local	\$2.00	\$45.00
Portola Local	\$1.00	n/a
Senior Fare (Age 60+)	Half Price	Half Price
Disabled Riders	Half Price	Half Price
Children Age 7 & Under	Free	Free

Source: Plumas Transit Systems

Fleet

Plumas Transit Systems has a total fleet of eight vehicles, comprising cutaway buses owned by the County. All vehicles but one are diesel-powered while the sole vehicle runs on unleaded gasoline. All vehicles are wheelchair-accessible in compliance with the Americans with Disabilities Act (ADA) as well as equipped with bicycle racks mounted on the front of the vehicle. Table I-4 shows the vehicle fleet inventory during the audit period.

**Table I-4
Plumas Transit System Fleet Inventory**

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2008	Chevy Cutaway	3	Diesel	28 (4 W/C)
2008	Ford Cutaway	1	Unleaded	16 (2 W/C)
2009	Chevy Cutaway	1	Diesel	26 (2 W/C)
2011	Ford F-550 Cutaway	1	Diesel	28 (4 W/C)
2013	International Aero Elite	1	Diesel	29 (2 W/C)
2015	Freightliner	1	Diesel	30 (4 W/C)
Total		8		

Source: Plumas Transit Systems

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of PTS’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, which was developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each requirement is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p>FY 2016: November 20, 2016 FY 2017: February 23, 2018* FY 2018: January 30, 2019*</p> <p>*Note: New state legislation was passed (AB 1113 - Bloom) on July 21, 2017, that changes the timeline to submit the annual Transit Operators Financial Transaction Reports to the State Controller effective reporting year FY 2017. The submittal date has been extended from within 110 days after fiscal year end to 7 months after fiscal year end, or end of January. This is an extension of about 100 days from the original deadline. With the change in dates, these reports are required to contain underlying data from audited financial statements. The FY 2016 report submitted by the County/CSA #12 is prepared prior to completion of the TDA fiscal</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>audit for PTS, given that an extension of the fiscal audit allowable by law was granted by PCTC.</p> <p>All State Controller reports were submitted electronically. Some data discrepancies exist between the State Controller Reports and audited data, as prior to the new law, the Controller reports were prepared in advance of completion of the fiscal audits to meet previous timelines.</p> <p>Conclusion: Partial Compliance</p>
<p>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</p>	<p>Public Utilities Code, Section 99245</p>	<p>Completion/submittal dates:</p> <p>FY 2016: March 21, 2017 FY 2017: March 19, 2018 FY 2018: April 17, 2019</p> <p>A 90-day extension was granted by the regional transportation planning agency (RTPA) pursuant to the TDA statute for the FY 2016 and FY 2017 fiscal audits. The FY 2018 was submitted after the 90-day extension period.</p> <p>*Note: The annual fiscal and compliance audits do not include a farebox recovery calculation for PTS. The only farebox recovery calculation provided is for Plumas Seniors Transportation. It is recommended that the FY 2019 as well as future fiscal audits include the farebox recovery calculation for PTS.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Partial Compliance
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.	Public Utilities Code, Section 99251 B	<p>Through its contract operator, Plumas Rural Services, PTS participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspections were conducted at the Plumas Rural Services operations facility located at 711 East Main Street, Quincy.</p> <p>Transit Operator Compliance Certificates and inspections applicable to the audit period were dated June 2, 2015; June 8, 2016; and July 6, 2017. One terminal inspection was conducted outside of the audit period on July 12, 2018.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>The annual TDA claims for Local Transportation Funds (LTF) received by PTS are based on the allocations outlined in the Final Budget Briefing documents and annual Overall Work Program prepared by PCTC.</p> <p>However, PCTC’s process for TDA claims does not conform to the guidelines in the statute. TDA</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>revenues have been allocated to public transit services since 1990. Other than the resolutions approving the claims, there were no other records documenting the claims submittal process.</p> <p>Conclusion: Partial Compliance.</p>
<p>If an 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.</p>	<p>Public Utilities Code, Section 99270.1</p>	<p>This measure is not applicable, as PTS operates in a rural area and is subject to the adopted performance criteria established by PCTC.</p> <p>Conclusion: Not Applicable.</p>
<p>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).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage change in CSA #12’s transit operating budget for PTS:</p> <p>FY 2016: +0.9% FY 2017: +0.5% FY 2018: +4.4%</p> <p><i>Source: Plumas County Transportation Commission Final Budget Briefing</i></p> <p>Conclusion: Complied.</p>
<p>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers</p>	<p>Public Utilities Code, Section 99247</p>	<p>PTS’s definition of most performance measures as tracked and recorded by the contract operator and CSA #12 is consistent with PUC Section 99247. One exception noted by the auditor is that the figure for vehicle service hours in the FY 2016 Transit Operators Transactions Report appears to</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		be the figure for passenger trips. Conclusion: Partial Compliance
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This measure is not applicable, as PTS operates in a rural area and is subject to the adopted performance criteria established by PCTC. Conclusion: Not Applicable.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	PTS operates deviated fixed-route service in a rural area that is subject to a 10 percent farebox recovery ratio. The system-wide farebox recovery for PTS during the audit period is as follows: FY 2016: 20.87% FY 2017: 19.37% FY 2018: 15.46% <i>Source: Transit Operator Financial Transactions Reports</i> Conclusion: Complied
The current cost of the operator’s retirement system	Public Utilities Code, Section 99271	Plumas County, through CSA #12, contracts with a private nonprofit

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 within 40 years.		<p>provider for operations, while the County contributes to its staff's retirement under the California Public Employees Retirement System (CalPERS).</p> <p>Conclusion: Complied.</p>
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.	California Code of Regulations, Section 6754(a)(3)	<p>The County receives State Transit Assistance Funds and makes use of federal transit grant funds under Federal Transit Administration (FTA) Section 5311 as follows:</p> <p>FY 2016: \$216,926 (Operations) FY 2017: \$237,314 (Operations) FY 2018: \$256,483 (Capital Assistance spent on Operations)</p> <p><i>Source: National Transit Database (Form RU-20)</i></p> <p>Conclusion: Complied.</p>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the nine compliance requirements pertaining to PTS, the operator satisfactorily complied with five requirements. The operator was partially compliant in the timely submittal of its State Controller’s Report, annual fiscal and compliance audits, the TDA claim submittal process, and its reporting of performance measures which involved a discrepancy in the vehicle service hour data entry in the State Controller’s Report. Two additional compliance requirements did not apply to PTS (i.e., blended and urban farebox recovery ratios).
2. The annual fiscal and compliance audits do not include a farebox recovery calculation for PTS. The only farebox recovery calculation shown is for Plumas Seniors Transportation. It is recommended that the FY 2019 as well as all future fiscal audits include this calculation for PTS that would show fare and local support revenue and any allowable operating cost exclusions.
3. PTS is held to a 10 percent minimum farebox recovery ratio. For the three-year audit period, the farebox recovery ratio calculated by the performance auditor using audited data was 20.87 percent in FY 2016; 19.37 percent in FY 2017; and 15.46 percent in FY 2018. The average system-wide farebox recovery ratio was 18.57 percent for the three years.
4. Through its contract operator, PTS participates in the CHP Transit Operator Compliance Program and received inspections of its transit vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
5. The operating budget exhibited modest increases during each fiscal year of the audit period. The budget increased 0.9 percent in FY 2016 and 0.5 percent in FY 2017. For FY 2018, the 4.4 percent increase is attributed to an increase in contract service hour and maintenance costs.

Section III

Prior Triennial Performance Recommendations

PTS's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of its 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

Reclassify PTS to Article 4 filing and modify contract structure to ensure County Service Area #12 maintains contract control for PTS and to ensure full STA funding.

Background: The prior audit noted that PTS is a claimant under Article 8 of the TDA and does not receive revenue-based funds [PUC 99314.5 (a)] under the State Transit Assistance (STA) provision of the TDA. Although the amount is small, the prior audit suggested that PTS should take advantage of all funding opportunities applicable to both capital projects and transit operations. As with most smaller transit agencies, LTF and STA are the main sources of operating funds for transit in Plumas County. The prior audit contended that PTS met the farebox recovery ratio and other requirements to file under Article 4. Under such an arrangement, CSA #12 would act as the operator and would be receiving its full possible allocation of STA funds.

Actions taken by Plumas Transit Systems

After this recommendation was made, the TDA statute underwent several amendments that would make its implementation unnecessary. The recent passage of AB 1113 (Bloom) determines direct eligibility for TDA funds including STA, while SB 1 (Beall), the Road Repair and Accountability Act of 2017, increased the level of STA funding through an increase in the diesel fuel sales tax, and from a Transportation Improvement Fee (new annual value-based vehicle fee). STA funds are allocated to each county using a split formula of population and operator-based revenue.

CSA #12 uses its STA allocation for general public transit operations. The County has historically received approximately \$76,000 in STA funds annually under the population formula. The STA program is slated for expansion under SB 1 to provide additional funding to the normal STA allocations and to provide additional funding under a new program, State of Good Repair. Staff has been monitoring the County's STA allocations since the passage SB 1. Through the State of Good Repair program, the County was awarded \$27,599 in funding toward preventative bus maintenance in FY 2017-18 and \$27,122 in FY 2018-19. Reclassifying PTS as an Article 4 claimant under the TDA and changing the contract structure would not be necessary given the recent legislation.

Conclusion

This recommendation is no longer applicable.

Prior Recommendation 2

Work with the fiscal and compliance auditor to ensure operating costs and fare revenues are correctly recorded, calculated, and reported.

Background: The prior audit found that the fiscal and compliance audits incorrectly reported both operating costs and fare revenues. It was advised that CSA #12 work with its fiscal and compliance auditor to ensure revenues, which are retained by the contractor, are not excluded from the operating costs, as well as reported as revenues, so a valid farebox recovery ratio may be calculated.

Regarding the fare revenue calculation, the prior audit noted that the High Sierra Music Festival Contract falls under 402.03 revenue, Special Route Guarantees. Special Route Guarantees are amounts paid by organizations to guarantee a minimum amount of funds on a line operated especially for the benefit of the payer. To qualify under this revenue category, the service must be open to all potential riders, whether or not it is associated with the Music Festival, and all fares must be consistent with the Plumas Rural Services fare structure.

Actions taken by Plumas Transit Systems

The fiscal and compliance audits commissioned by CSA #12 for Plumas County transit operations are inclusive of PTS and Plumas Seniors Transportation. Under the *Statement of Revenues, Expenses and Changes in Net Position*, passenger fares are reported only for Plumas Seniors Transportation. Operating costs for PTS include professional services (purchased transportation), other expenses and depreciation. As was mentioned in the compliance review section of this audit report, the annual fiscal and compliance audits do not include a farebox recovery calculation for PTS. The fare revenue ratio calculation found under Note 10 of the FY 2018 fiscal and compliance audit only reflects Plumas Seniors Transportation and does not include PTS. It is suggested that the FY 2019 as well as all future fiscal audits include this calculation. Nevertheless, revenues from charter services were excluded from the system fare revenues. The High Sierra Music Festival service is open to the general public.

Conclusion

This recommendation has been partially implemented and is forwarded in this audit for full implementation.

Prior Recommendation 3

Enhance American with Disabilities Act (ADA) policy, including stop announcements.

Background: During its session on September 21, 2015, the Commission adopted the PCTC ADA Paratransit Plan for Plumas County Transit Systems (Resolution 15-18). The plan details paratransit eligibility criteria, the eligibility process, service area, response time, fares, hours and days of service, and capacity constraints. Adopted concurrently with the plan was the ADA Paratransit Eligibility Information and Application Form. The prior audit noted that the ADA Paratransit Plan did not address several important elements such as wheelchair securement training for drivers, lift maintenance, complaint procedures, and stop announcements. It was suggested that these elements be included in any update of the ADA Paratransit Plan.

Actions taken by Plumas Transit Systems

While the ADA Paratransit Plan has not been updated since its adoption in September 2015, PTS has implemented several of the elements suggested in this audit recommendation. Stop announcements have been instituted on PTS routes and the contract operator conducts annual wheelchair securement and safety trainings. Regarding complaint procedures, there is the adopted Title VI Program, which was updated in February 2017. The Title VI policies and complaint forms are available through the PCTC web page (<http://www.countyofplumas.com/2339/Civil-Rights-Protection>). In addition to the PCTC web page link, Title VI notices are posted on the PTS website, the reception area of Plumas Rural Services, and on all PTS vehicles.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Refine PTS's maintenance program to minimize time vehicles are out of service and reduce costs and establish a maintenance plan.

Background: A review of PTS's maintenance program indicated that vehicles were taken out of service on average every 40 days and 3,759 miles with a median of 35 days and 3,413 days. With seven vehicles in the fleet at that time, but only three vehicles used during peak service, PTS had an unusually high spare ratio. The prior audit pointed out that preventative maintenance inspection (PMI) schedules could be better coordinated in accordance with the manufacturers' recommended protocols. At the time, PTS had three PMI schedules:

- 1) 90 days for the bus maintenance and inspection;
- 2) 6,000 miles for the lubrication and inspection; and
- 3) 30,000 miles for transmission service.

The prior audit suggested that PTS adopt a hybrid PMI interval, such as 6,000 miles or 90 days, whichever comes first. It also cited the advanced age and wear of the fleet. A series of five steps was presented that laid out an effective PMI program:

- 1) Monitor and benchmark both scheduled and unscheduled maintenance;
- 2) Establish foundation PMI intervals and related activities;
- 3) Consider local operating conditions and experiences;
- 4) Implement a quality assurance program; and
- 5) Data analysis and program refinement.

It was recommended that these five steps be incorporated into a maintenance plan that documents how preventative maintenance is managed.

Actions taken by Plumas Transit Systems

During the audit period, the contract operator for PTS developed a preventative maintenance plan that is overseen by a maintenance coordinator. PTS uses a preventative maintenance system based on progressive mileage inspections and servicing requirements that meet or exceed state and federal standards. PMIs are conducted after a prescribed mileage or time interval depending on the vehicle make and model. The maintenance coordinator is required to maintain a preventive maintenance status schedule, which is updated daily from the mileage on the daily vehicle inspection report form. In addition to PMI schedule monitoring, the maintenance plan covers pre-trip and post-trip inspections, vehicle cleaning, and in-service repairs.

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Update system maps and create a strategic marketing plan to be updated each year and track effectiveness.

Background: The prior audit noted the improvements that PTS made, such as updates to its website and schedules to make them more useful and user-friendly as well as community outreach efforts. However, a review of the marketing materials indicated that maps were confusing and incomplete on both the website and collateral materials. It was suggested that updating the route maps and developing a simplified system map would assist new riders in determining how the system works. A marketing assessment was made, and marketing strategies were developed as part of the 2015 Plumas County Short Range Transit Plan. The prior audit suggested that these could form the foundation for a marketing plan that can be reviewed and updated annually with an outline of key elements to be included.

Actions taken by Plumas Transit Systems

In lieu of a strategic marketing plan, PTS has taken several measures to enhance its marketing and outreach. Glossy tri-fold schedules have been produced and distributed for the three

service areas: Quincy Local, East County, and North County. Each schedule includes a map of the respective service area. A flyer promoting the weekly run to Reno was produced and distributed. The contractor maintains the PTS website and intends to promote the website on the vehicles.

Conclusion

This recommendation has been implemented through updates of the system maps. Creating a strategic marketing plan may be part of the Short-Range Transit Plan update.

Section IV

TDA Performance Indicators

This section reviews PTS's performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

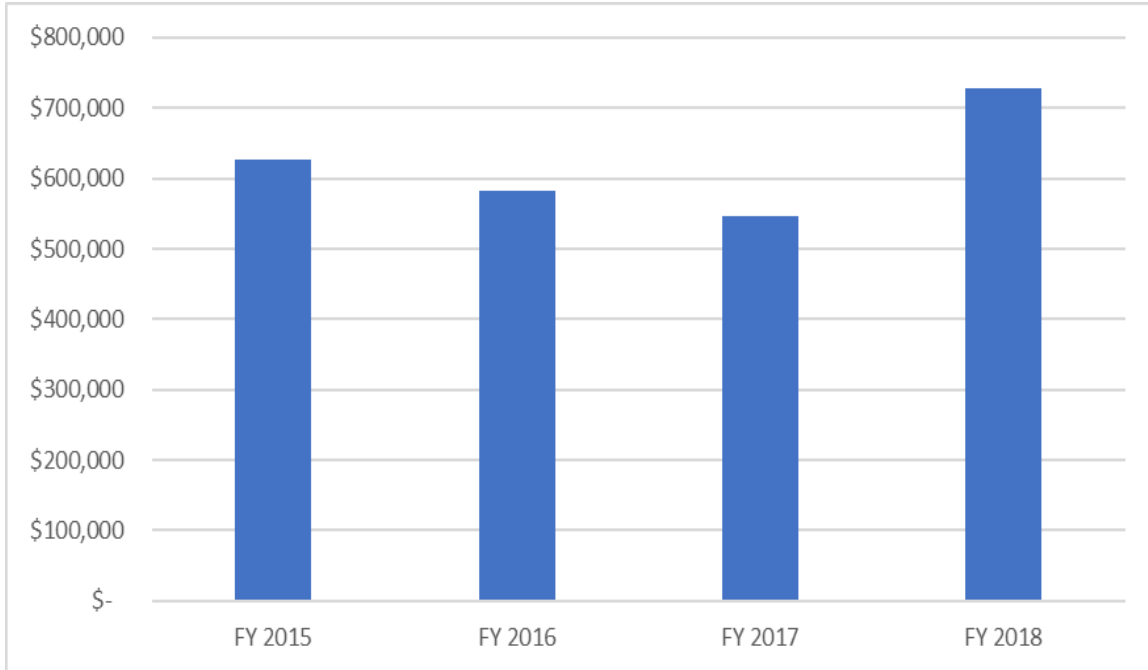
Table IV-1 provides the performance indicators for PTS. Graphs are also provided to depict the trends in the indicators.

**Table IV-1
Plumas Transit Systems TDA Performance Indicators**

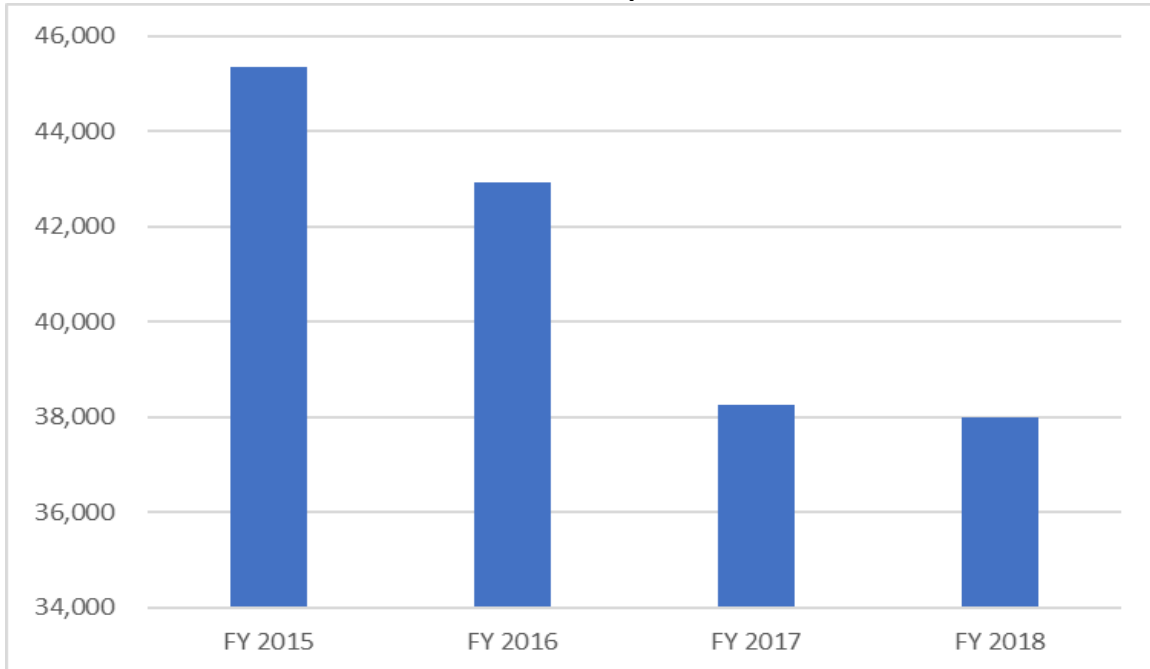
Performance Data and Indicators	Audit Period				% Change FY 2015-2018
	FY 2015	FY 2016	FY 2017	FY 2018	
Operating Cost	\$626,017	\$582,093	\$546,517	\$727,721	16.2%
Total Passengers	45,348	42,920	38,266	37,994	-16.2%
Vehicle Service Hours	6,035	6,101	6,085	6,003	-0.5%
Vehicle Service Miles	191,105	183,563	197,534	201,264	5.3%
Employee FTEs	13	14	14	12	-4.0%
Passenger Fares	\$126,631	\$121,455	\$105,854	\$112,493	-11.2%
Operating Cost per Passenger	\$13.80	\$13.56	\$14.28	\$19.15	38.7%
Operating Cost per Vehicle Service Hour	\$103.73	\$95.41	\$89.81	\$121.23	16.9%
Operating Cost per Vehicle Service Mile	\$3.28	\$3.17	\$2.77	\$3.62	10.4%
Passengers per Vehicle Service Hour	7.5	7.0	6.3	6.3	-15.8%
Passengers per Vehicle Service Mile	0.24	0.23	0.19	0.19	-20.4%
Vehicle Service Hours per Employee	482.8	435.8	434.6	500.2	3.6%
Average Fare per Passenger	\$2.79	\$2.83	\$2.77	\$2.96	6.0%
Fare Recovery Ratio	20.23%	20.87%	19.37%	15.46%	-23.6%
Consumer Price Index - (CPI-All)		1.9%	2.8%	3.5%	8.4%

Sources: National Transit Database (RU-20); Transit Operator Financial Transactions Reports

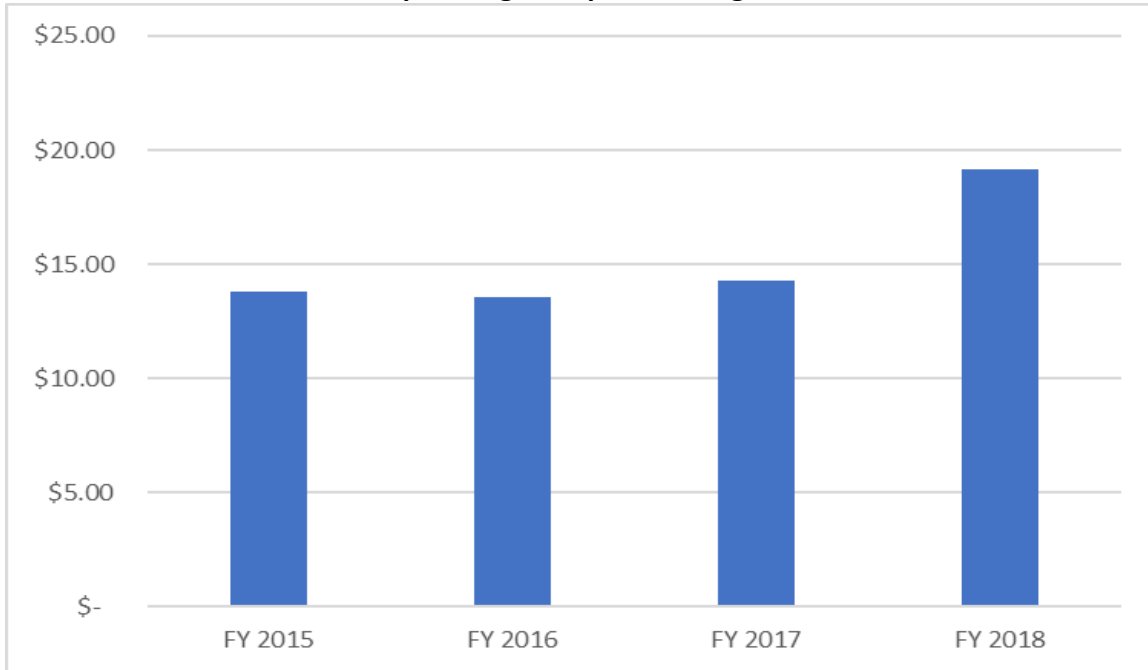
**Graph IV-1
Operating Costs**



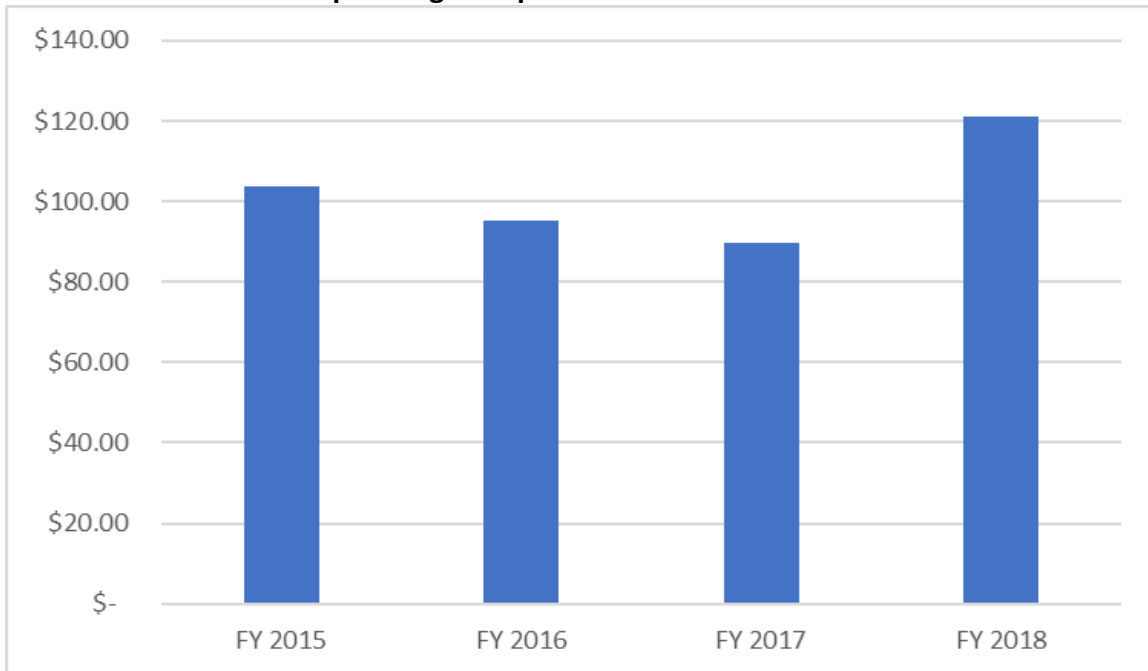
**Graph IV-2
Ridership**



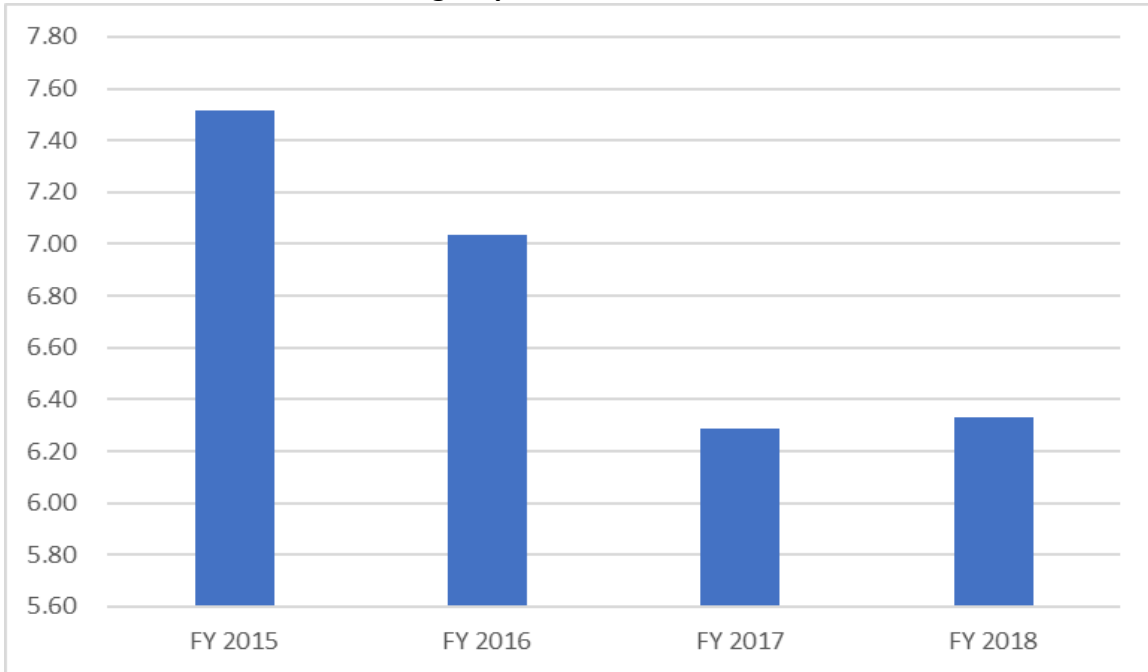
**Graph IV-3
Operating Cost per Passenger**



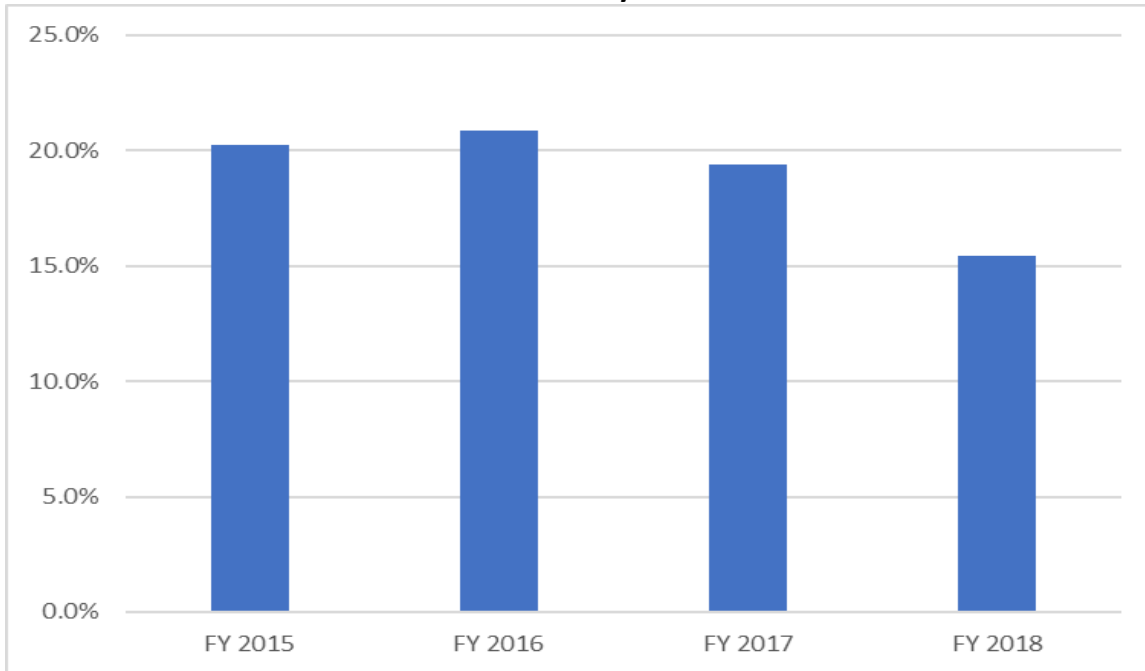
**Graph IV-4
Operating Cost per Vehicle Service Hour**



Graph IV-5
Passengers per Vehicle Service Hour



Graph IV-6
Fare Recovery Ratio



Findings from Verification of TDA Performance Indicators

- 1. Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 16.9 percent from \$103.73 during FY 2015 base year to \$121.23 in FY 2018. Although vehicle service hours decreased by 0.5 percent, operating costs increased by 16.2 percent during the audit period. Despite the constrained growth in service hours, operating costs increased due to higher maintenance and contract costs.
- 2. Operating cost per passenger**, an indicator of cost effectiveness, increased 38.7 percent from \$13.80 in FY 2015 to \$19.15 in FY 2018. As noted above, PTS's operating costs increased during the period; coupled with a decrease in ridership, this performance measure has experienced a negative trend. Passenger trips decreased 16.2 percent from 45,348 in FY 2015 to 37,994 in FY 2018.
- 3. Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 15.8 percent between FY 2015 and FY 2018 from 7.5 passengers per hour to 6.3 passengers per hour. The trend in this indicator is reflective of the 16.2 percent decrease in ridership and the 0.5 percent decrease in vehicle service hours during the audit period.
- 4. Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 20.4 percent between FY 2015 and FY 2018 from 0.24 passengers to 0.19 passengers. From the FY 2015 base year to FY 2018, total vehicle service miles increased 5.3 percent from 191,105 vehicle service miles to 201,264 vehicle service miles while the number of passengers decreased 16.2 percent.
- 5. Vehicle service hours per employee** increased 3.6 percent between FY 2015 and FY 2018. This resulted from a decrease of 4.0 percent in the number of full-time equivalent (FTE) employees (rounding difference for percent change) and the slight decrease in vehicle service hours of under 1 percent during the period. The number of FTEs decreased from 13 FTEs in FY 2015 to 12 FTEs in FY 2018. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee.
- 6. Farebox recovery** exhibited a 23.6 percentage decrease from a ratio of 20.23 percent in the FY 2015 base year to a ratio of 15.46 percent in FY 2018. Passenger fare revenue decreased 11.2 percent whereas operating costs decreased 16.2 percent. PTS is held to a 10 percent minimum farebox recovery ratio and, despite the decreasing trend, was able to exceed the minimum ratio throughout the audit period.

Conclusion from the Verification of TDA Performance Indicators

PTS's performance metrics during the audit period reflect increases in operating costs and vehicle service miles contrasted with decreases in passenger trips and fare revenue, and flattening of vehicle service hours. The increase in operating costs during the audit period was mirrored by a decrease in passenger trips. Vehicle service hours remained relatively unchanged (under 1 percent) whereas vehicle service miles increased modestly. Coupled with the declining ridership and the static vehicle service hours and miles, performance cost indicators exhibited increases ranging from a 10.4 percent increase in the cost per mile to a 38.7 percent increase in the cost per passenger.

Operating costs fluctuated during the audit period and exhibited an overall increase of 16.2 percent. On a per annum basis, costs decreased in FY 2016 and FY 2017 by 7 percent and 6.1 percent, respectively. However, operating costs increased by 33.2 percent in FY 2018 attributed to higher maintenance costs due to an aging vehicle fleet and fluctuations in fuel costs. Consumer Price Index escalators built into the operating contract are also factors.

Passenger trips are influenced by the class schedules at Feather River College and the local rural demographic of the service area. Less service is operated during the summer months when the college is not in session. The 16.2 percent decrease in passenger trips was reflected in the 11.2 percent decrease in fare revenues. Despite such trends, the transit system was able to exceed its minimum 10 percent farebox recovery standard. Allowable under state law, additional funds generated at the local level could be applied to the farebox ratio including advertising revenue, Low Carbon Transit Operations Program (LCTOP) fare subsidies, leased property income, and sale of capital assets.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within PTS. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at Plumas Rural Services and the Plumas County Transportation Commission in Quincy:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

Operations

PTS operates local and intercity service along the major highway corridors in the county. The transit system is operated under contract by Plumas Rural Services, a community-based social services organization located in Quincy. Routes are configured according to geographical area: North County, East County, and Quincy Local. All routes converge in the community of Quincy, the county seat. Feather River College is the system's main traffic generator.

Route deviations are allowed up to a 0.75-mile from the scheduled fixed route for persons with disabilities who are unable to access designated stops. The ADA Paratransit Plan for PTS dated September 2015 provides that the route deviation is a complementary paratransit service to origins and destinations within corridors with a 0.75 of a mile width on each side of their fixed routes including end points. As an ADA complementary service, the bus brochure should explain the basic regulations under ADA such as up to 14-day advance reservations and the need to complete an ADA eligibility application, so the rider is informed of how to use the service if needed. Flag stops are permissible if the driver can pull over in a safe manner. Riders are encouraged to use flashlights or lighted cell phones so that the driver can see them during the early mornings and evenings.

Hours and days of operation vary due to the semester class schedules at Feather River College, which is in session from approximately late August through late May. PTS operates later runs in the evening when the college is in session, including an extra run to Greenville on the North

County Route. Feather River College is not in session during the winter and spring breaks. Further adjustment to some of the evening runs when FRC is in session is under consideration.

In addition to students, PTS's ridership is composed of other transit-dependent populations. County Social Services and Probation Departments purchase passes for their clientele.

In June 2016, Plumas District Hospital initiated an alert system to notify passengers when their bus has arrived. The Quincy Lions Club offered to fund an all-weather bench to provide outdoor seating for passengers waiting for the bus. The Lions Club requested that PCTC fund the remaining costs of the alert system and bench.

The management of Plumas Pines Shopping Center located at SR 70 and Quincy Junction Road in Quincy decided that the PTS bus stop on their premises had to be relocated by October 6, 2016. The shopping center is anchored by Safeway and other retail tenants include Dollar Tree, Rite Aid Pharmacy, and American Valley Hardware. Public Works and PTS staff investigated alternative sites and conducted field surveys near the intersection of SR 70 and Quincy Junction Road. Staff worked with Caltrans in securing an encroachment permit since the bus stops would be located on state right-of-way. In addition, Public Works submitted plans to Caltrans for permanent stops while an application to construct temporary stops was approved. Construction on the two permanent bus stops commenced in August 2017 at SR 70 and Quincy Junction Road as well as on South Linden Avenue.

Scheduling and dispatching are conducted on a manual basis using an Excel spreadsheet. Excel spreadsheets are used to assign and monitor routes. Drivers are equipped with cell phones through Verizon and call in as necessary. The driver trainer conducts ride checks to gauge on-time performance. Road construction along state highways has impacted on-time performance. Ride-alongs are conducted every three to four months to evaluate driver performance and customer service skills.

Drivers complete a Daily Vehicle Report (DVR) before each run. The DVR is divided into two sections. The top half is for recording date of service, route, scheduled start and end times, hours worked during the week, and starting and ending mileage. The bottom half of the DVR serves as the 39-point pre-trip and post-trip vehicle inspection. Based on the directions printed on the DVR, the start mileage is the mileage recorded during the pre-trip inspection and the stop mileage is the mileage recorded when the bus ends for the day.

The TDA statute and industry practice require that the operator differentiate between actual service hours and mileage and total service hours and mileage including deadhead. It is recommended that the DVR be reformatted so that the hours and mileage can be recorded once the bus begins and ends revenue service, which for fixed route is the first and last stop of the run including layover time. It would also be good practice to record any route deviations within 0.75-mile of the scheduled route to add to revenue service statistics.

In addition to the DVR form, drivers use rider tracking sheets formatted for each route. The tracking sheet allows the driver to record passenger and fare categories as well as passengers

from deviations and wheelchair riders. The passenger data are totaled at the bottom of the tracking sheet along with the date of the run and the driver's name.

Each vehicle is equipped with up to eight cameras procured from Seon Systems. PTS has expressed interest in the installation of voice annunciators and the use of mobile phone applications. The number of complaints received have been negligible, averaging one per month. The contract operator maintains a log of complaints for review. Most of the complaints generally involve new drivers who passed a stop along the route.

Farebox handling and reconciliation are conducted on a manual basis. PTS buses are equipped with nonelectronic Diamond fareboxes that have security aspects to prevent mishandling. The farebox vaults are pulled from the vehicle after each run. The fareboxes are locked once they are pulled from the vehicle and brought to the Plumas Rural Services office. The transit coordinator uses a tracking sheet and counts the fareboxes. The farebox proceeds are placed in a bank envelope and locked in a filing cabinet. The dispatcher counts the revenue the following day and an employee from the fiscal department makes the deposit at the bank. Feather River College students have transit stickers on their passes, which get tracked separately.

Operations Personnel

Operations personnel is provided through Plumas Rural Services. The staff assigned to PTS is composed of the transit coordinator, training coordinator, dispatcher, and eight drivers. Four drivers are part-time, and the full-time drivers work 30 hours weekly. The transit coordinator has managed the system for more than two years and was a former dispatcher. The transit coordinator and dispatcher also serve as backup drivers.

Candidates must have a Class B commercial driver's license or a Class C driver's license with a passenger endorsement. The training protocol consists of 20 hours of classroom and 20 hours of behind-the-wheel training. DMV testing is conducted in Redding, Yuba City, or Sacramento with Yuba City being the preferred testing facility. There are two certified trainers on staff. Safety meetings are held quarterly. Topics covered include snow chain placement, winter driving conditions, and annual wheelchair lift and securement instruction.

Drivers are recruited through the local *Feather River Bulletin* newspaper, the Alliance for Workforce Development, and by word-of-mouth. Some of the challenges encountered with driver recruitment and retention have included drug testing and the winter season due to on-call availability. A Drug and Alcohol Policy was adopted in May 2018 that meets FTA requirements.

Maintenance

PTS vehicles are owned by CSA #12 but are maintained through its contract with Plumas Rural Services. The preventative maintenance plan is overseen by the dispatcher who serves as maintenance coordinator. PTS utilizes a PMI protocol based on progressive mileage inspections and servicing requirements that meet or exceed state and federal standards. PMIs are

conducted after a prescribed mileage or time interval depending on the vehicle make and model. The PMI schedule is summarized in the following table.

**Table V-1
Preventive Maintenance Schedule**

	A	B	C
Miles	3,000	6,000	65,000
Number of Days	45	90	(Major includes A & B items)

Source: Plumas Rural Services

Fluid changes are performed during PMIs. An engine oil and filter change are performed every 6,000 miles or less, depending on the manufacturer’s recommendations and operating conditions. Transmission oil and filter changes are also based on the manufacturer’s recommendations and operating conditions and are scheduled to occur every 65,000 miles. In addition, there are wheelchair lift inspections performed by all drivers during their pre-trip and post-trip inspections. Drivers also check tire inflation levels and body conditions daily.

Quincy Tow Services and Repair located at 180 Nugget Lane in Quincy performs maintenance on the transit vehicles. The vendor specializes in diesel engine and 4 x 4 repairs. Buses are alternated out of service during PMI intervals. In addition to the PMIs, the vendor offers 24-hour emergency road and towing services. The transit coordinator reported that it has been challenging keeping buses in operation due to the average age and mileage of the fleet. The newest vehicle in service is a 2015 model operating on the North County route serving the community of Chester. PTS maintains the 20 percent spare ratio.

Some of the maintenance challenges include brakes and power steering pump issues. In October 2016, one bus experienced an engine failure and was considered for replacement. The bus operated on the Quincy route and was the smallest vehicle in the fleet. The cost to replace the bus was in the range of \$90,000 to \$100,000 and would take four months for delivery. The cost to replace the motor was estimated at \$8,000. PTS opted to have the engine repaired.

Fueling takes place at two facilities in Quincy by a cardlock system. PTS utilizes Relay Station located at 1355 East Main Street and Fuel Commander Cardlock – Ed Staub & Sons located at 1382 East Main Street. The drivers fill up at the end of each run and sign a purchase log that is maintained by the vendor. In the fall of 2016, an electrical and facility upgrade project was initiated at the County Public Works Maintenance and Bus Yard. The project would potentially provide 24-hour fuel access for transit vehicles as well as covered parking for buses. Bulk fuel purchases would provide cost savings for PTS and Public Works.

Planning

Prior to the start of the audit period, the 2015 Plumas County Short Range Transit Plan (SRTP) was adopted in March 2015. The SRTP was prepared by PCTC staff and funded through a transportation planning grant awarded by Caltrans. The aim of the current SRTP update was to

evaluate services currently provided by PTS and to develop a plan to improve system performance and provision over a five-year horizon. Prior to 2015, the SRTP had not been updated since 1997.

The SRTP is composed of an executive summary; an introduction and purpose; service area description and demographic profile; transit system overview; system and service evaluation; marketing assessment and strategies; capital and financial plan; transit goals and objectives; preferred service modifications; and an implementation plan. Included as appendices are the results of a customer survey and a bus shelter accessibility study.

The service modifications identified for PTS include specific route modifications; the ability to purchase bus passes on-board buses; and coordination of transit services with Feather River College. The implementation plan is composed of a comprehensive set of goals and strategies related to service expansion and modification, administration, infrastructure, marketing and promotion, coordination, and financial issues.

Transit infrastructure planning has been coordinated through PCTC. One example has been the relocation of the bus stop from the Plumas Pines Shopping Center. The Social Services Transportation Advisory Council (SSTAC) has also been engaged with transit planning and marketing. During its December 2017 meeting, the SSTAC provided recommendations on unmet transit needs, which included the placement of bus shelters in East Quincy. Other input has included marketing strategies for the weekly Reno service.

Marketing

Marketing and promotional efforts for PTS are the purview of Plumas Rural Services. Plumas Rural Services publishes tri-fold brochures with fare and schedules for each of the PTS routes. A promotional flyer was produced for the weekly Reno service that PTS operates on behalf of Seniors Transportation.

The PTS website is maintained by Plumas Rural Services and has its own domain: <https://www.plumastransit.com/>. A transit summary page linked from the PCTC web page is accessible through the County of Plumas website (<http://www.countyofplumas.com/index.aspx?NID=2165>).

A significant proportion of the PTS ridership is composed of Feather River College students. In April 1999, the general student body voted for a transportation fee to fund a transit pass program on PTS. Students pay a \$1.50 per unit transportation fee upon enrollment. This program entitles the pass-holder to unlimited trips on PTS. In July 2015, Plumas Rural Services signed a two-year agreement with Feather River College for Plumas Rural Services to provide transportation services as the operator of PTS for students effective July 1, 2015, through June 30, 2017. The agreement was extended for one year in the amount of \$53,000 for advanced ticket sales effective July 1, 2017, through June 30, 2018.

PTS also operates a round-trip shuttle between Quincy and Reno-Tahoe International Airport for the annual High Sierra Music Festival held in early July. Seating is limited to nine passengers daily and round-trip tickets are \$95.00 per person. In December 2015, PTS operated a special route for New Year's Eve as a community service to help promote a safer holiday. The normal Quincy route was operated until about 9:00 p.m. and later resumed service from 10:00 p.m. to 2:00 a.m. The fare charged was \$1.00 per rider.

Pursuant to the federal Civil Rights Act of 1964, PCTC has an adopted Title VI Program, which was updated in February 2017. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving federal financial assistance. The Title VI policies and complaint forms are available through the PCTC web page (<http://www.countyofplumas.com/2339/Civil-Rights-Protection>). In addition to the PCTC web page link, Title VI notices are posted on the PTS website, the reception area of Plumas Rural Services, and on all PTS vehicles.

General Administration and Management

The County of Plumas was incorporated on March 18, 1854, during a meeting of three commissioners held at the American Ranch in Quincy. It was carved from the eastern portion of Butte County. From its seat in the community of Quincy, the County is governed by a five-member Board of Supervisors, which serves as the administrative and legislative body. Supervisors are elected by district to four-year terms. The board meets the first three Tuesdays of the month at 10:00 a.m. in the supervisors' boardroom on the 3rd floor of the County Courthouse, located at 520 Main Street in Quincy.

The board approves the County's annual budget and oversees the management of County departments and special districts including Flood Control, the Community Development Commission, lighting districts, county service areas, and sewer maintenance districts.

Administration of the transit system has been the purview of CSA #12, which is administered through the Plumas County Public Works Department. Public Works Department staff (serving as staff for PCTC) manages the PTS operations contract with Plumas Rural Services.

The current operations contract was executed on June 20, 2013 and has since undergone six amendments. The latest amendment extended the term of the contract to June 30, 2019. The first amendment, dated July 1, 2014, inserted a maximum annual revenue service limit to allow for minor schedule changes without the necessity of having each change approved through a contract amendment. Subsequent contract amendments executed during the audit period addressed emergency preparedness and training, increased compensation for vehicle maintenance, and annual extensions of the contract term.

PCTC reimburses the contract operator monthly. Plumas Rural Services costs are based on the established revenue service hourly rate and the monthly rate pursuant to the contract. The contractor invoices for actual costs minus fare revenue received.

Pursuant to the TDA, CSA #12 receives LTF proceeds and STA funds. TDA funding is used primarily for operations as well as for capital expenditures. Based on Transit Operators Financial Transactions Report data, LTF revenues received during the audit period were \$272,568 in FY 2016; \$207,415 in FY 2017; and \$278,270 in FY 2018. STA revenues received were \$56,424 in FY 2016; \$30,000 in FY 2017; and \$80,475 in FY 2018.

The Transit Operators Financial Transactions Reports submitted to the State Controller are generally prepared by the fiscal auditor and reviewed by PCTC staff.

Grants Management

In addition to TDA funding, PTS relies on a variety of federal and state grants to support its operations and capital procurement efforts. Capital improvements rely almost solely on state and federal grant funding. Grant program receipts and expenditures are tracked on a spreadsheet included in the PCTC annual budget briefing.

Rural formula FTA Section 5311 grant funds received were applied toward operations assistance. PCTC submits a Program of Projects that identifies subrecipients and projects to receive FTA Section 5311 funds in their planning area by December 31 of each year.

FTA Section 5311 (f) funding is available on an annual basis. Funds are targeted for the Chester Route connecting to Susanville Rancheria's transit services and Lassen Rural Bus routes to Redding, Red Bluff, and Susanville to assist riders in making useful connections to out-of-county locations where further connections can be made with interstate transit operators and Amtrak. The County has targeted this program as its only available option to obtain adequate funding to sustain current operations long-term.

PCTC was awarded FTA Section 5339 grant funds in FYs 2016 and 2017 for bus procurement. The award in FY 2017 funded \$138,000 toward the purchase of a new bus costing \$170,000 with the remainder funded by LTF and Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) program.

State grant funding has been derived from the LCTOP and PTMISEA programs toward service expansion, farebox support and capital procurements. LCTOP was established by SB 862 to provide funds to transit agencies to reduce greenhouse gas emissions and improve mobility through operating and capital grants. PCTC responded to a Call for Projects in January 2017 for the purchase of two bus shelters in Quincy, which cost \$18,946. Another Call for Projects in March 2018 was for the purchase and siting of a new bus shelter in Portola, which cost \$25,491.

Funding from the PTMISEA program which has since sunset has been used toward bus procurement and bus stop and shelter improvements. In FY 2016, PCTC received an award of \$234,067 in PTMISEA funds for a new bus. PCTC continues to monitor funding under the new State of Good Repair Program under SB 1.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2016 through 2018. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the nine compliance requirements pertaining to PTS, the operator satisfactorily complied with five requirements. The operator was partially compliant in the timely submittal of its State Controller's Report, annual fiscal and compliance audits, the TDA claim submittal process, and its reporting of performance measures, which involved a discrepancy in the vehicle service hour data entry in the State Controller's Report. Two additional compliance requirements did not apply to PTS (i.e., blended and urban farebox recovery ratios).
2. The annual fiscal and compliance audits do not include a farebox recovery calculation for PTS. The only farebox recovery calculation shown is for Plumas Seniors Transportation. It is recommended that the FY 2019 as well as all future fiscal audits include this calculation for PTS that would show fare and local support revenue and any allowable operating cost exclusions.
3. PTS is held to a 10 percent minimum farebox recovery ratio. For the three-year audit period, the farebox recovery ratio calculated by the performance auditor using audited data was 20.87 percent in FY 2016; 19.37 percent in FY 2017; and 15.46 percent in FY 2018. The average system-wide farebox recovery ratio was 18.57 percent for the three years.
4. Through its contract operator, PTS participates in the CHP Transit Operator Compliance Program and received inspections of its transit vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
5. The operating budget exhibited modest increases during each fiscal year of the audit period. The budget increased 0.9 percent in FY 2016 and 0.5 percent in FY 2017. For FY 2018, the 4.4 percent increase is attributed to an increase in contract service hour and maintenance costs.
6. Of the five prior audit recommendations, PTS fully implemented three recommendations, which pertained to the ADA Paratransit Plan, maintenance procedures, and marketing efforts. One recommendation was deemed no longer applicable and the other recommendation was partially implemented and is forwarded in this audit for full implementation.

7. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 16.9 percent from \$103.73 during FY 2015 base year to \$121.23 in FY 2018. Although vehicle service hours decreased by 0.5 percent, operating costs increased by 16.2 percent during the audit period. Despite the constrained growth in service hours, operating costs increased due to higher maintenance and contract costs.
8. Operating cost per passenger, an indicator of cost effectiveness, increased 38.7 percent from \$13.80 in FY 2015 to \$19.15 in FY 2018. As noted above, PTS's operating costs increased during the period; coupled with a decrease in ridership, this performance measure has experienced a negative trend. Passenger trips decreased 16.2 percent from 45,348 in FY 2015 to 37,994 in FY 2018.
9. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 15.8 percent between FY 2015 and FY 2018 from 7.5 passengers per hour to 6.3 passengers per hour. The trend in this indicator is reflective of the 16.2 percent decrease in ridership and the 0.5 percent decrease in vehicle service hours during the audit period.
10. Passengers per vehicle service mile, another indicator of service effectiveness, decreased 20.4 percent between FY 2015 and FY 2018 from 0.24 passengers to 0.19 passengers. From the FY 2015 base year to FY 2018, total vehicle service miles increased 5.3 percent from 191,105 vehicle service miles to 201,264 vehicle service miles while the number of passengers decreased 16.2 percent.
11. A significant proportion of the PTS ridership is composed of Feather River College students. In April 1999, the general student body voted for a transportation fee to fund a transit pass program on PTS. Students pay a \$1.50 per unit transportation fee upon enrollment. Hours and days of operation vary due to the semester class schedules at Feather River College, which is in session from approximately late August through late May.
12. Operations personnel is provided through Plumas Rural Services. The staff assigned to PTS is composed of the transit coordinator, training coordinator, dispatcher, and eight drivers. The transit coordinator has managed the system for more than two years and was a former dispatcher. The transit coordinator and dispatcher also serve as backup drivers.
13. PTS vehicles are owned by CSA #12 but are maintained through its contract with Plumas Rural Services. The preventative maintenance plan is overseen by the dispatcher who serves as maintenance coordinator. PTS utilizes a preventative maintenance inspection protocol based on progressive mileage inspections and servicing requirements that meet or exceed state and federal standards.
14. In addition to TDA funding, PTS relies on a variety of federal and state grants to support its operations and capital procurement efforts. Capital improvements rely almost solely on state and federal grant funding. Grant program receipts and expenditures are tracked on a spreadsheet included in the PCTC annual budget briefing.

Recommendations

1. Include the farebox recovery calculation for Plumas Transit Systems in the annual fiscal and compliance audits.

In the *Statement of Revenues, Expenses and Changes in Net Position* contained in the annual fiscal and compliance audits for transit, passenger fares are reported only for Plumas Seniors Transportation. While no passenger fares are shown, operating costs for PTS include professional services (purchased transportation), other expenses, and depreciation. As was mentioned in the compliance review section of this audit report, the annual fiscal and compliance audits do not include a farebox recovery calculation for PTS. The fare revenue ratio calculation found under Note 10 of the FY 2018 fiscal and compliance audit only reflects Plumas Seniors Transportation and does not include PTS. While it is standard practice for the contractor to invoice CSA #12 for actual costs minus fare revenue received, the fare revenues for PTS should be accounted for and shown in the fiscal audit. It is recommended that the FY 2019 as well as all future fiscal audits include the farebox recovery calculation for PTS and show all fare and local support revenue and operating costs. Cost exclusions such as depreciation and eligible route extensions should also be shown in the calculation.

2. Ensure that all performance measures reported are consistent with the TDA statute.

A finding was made in the Compliance Matrix section that the figure for vehicle service hours in the FY 2016 Transit Operators Transactions Report appeared to be the figure for passenger trips. The TDA statute and industry practice require that the operator differentiate between actual service hours and mileage and total service hours and mileage including deadhead. Drivers complete a Daily Vehicle Report (DVR) before each run. The top half is for recording date of service, route, scheduled start and end times, hours worked during the week, and starting and ending mileage. Based on the directions printed on the DVR, the start mileage is the mileage recorded during the pre-trip inspection and the stop mileage is the mileage recorded when the bus ends for the day. It is recommended that the DVR be reformatted so that the hours and mileage can be recorded once the bus begins and ends revenue service, which for fixed route is the first and last stop of the run including layover time. It would also be good practice to record any route deviations within 0.75-mile of the scheduled route to add to revenue service statistics.

3. Schedule an update to the Plumas County Short-Range Transit Plan.

The 2015 Plumas County Short-Range Transit Plan (SRTP) was adopted in March 2015. The SRTP provides system-wide goals and objectives that are consistent with the Regional Transportation Plan and the County's General Plan, and primary data for performance evaluation on a route-by-route basis. In general, the SRTP is updated every five years. Since the last update, there have been significant changes regarding the federal and state

discretionary and formula grant programs that support transit. As vehicle fleets approach their useful life, it is essential to develop a fleet replacement plan that would also address state mandates for cleaner fuels and zero emission vehicles. Planning grant funding is needed for these updates. TDA is one source of potential planning matching funds that could be available for PCTC/CSA #12 to commission the transit plan update.

4. Post ADA route deviation policy in bus brochure.

PTS offers deviated response service to surrounding areas, up to 0.75 miles from a fixed route for persons with disabilities. PCTC's ADA Paratransit Plan dated September 2015 outlines the policies for deviated trips including advanced reservations and accommodations. The current bus schedule mentions in brief the deviated response service, but no policy regarding accessing the service or the need to complete an ADA eligibility application. PTS should update the bus schedule to indicate how an ADA reservation can be made including up to 14 days in advance, and the need for the passenger to call to cancel the trip at least the day before the scheduled pick up. Deviation requests in real-time can also be accepted, but if other advanced requests are made for the same bus run, the dispatcher will have knowledge of these scheduled trips to work with the real-time request to accommodate a different trip or time as needed. Route performance such as on-time performance and run times can be impacted by deviation trips, and efforts by PTS to manage ADA trip requests in advance of the bus run can improve service efficiency and effectiveness while maintaining existing ridership by retaining positive rider experience.