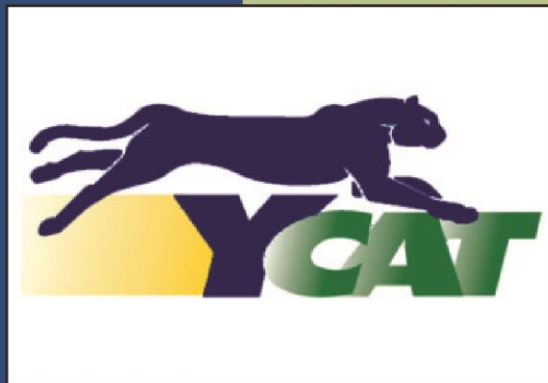




FY 2014—2016 TRIENNIAL PERFORMANCE AUDIT OF YUMA COUNTY AREA TRANSIT – ROUTES 5 & 10



SUBMITTED TO:

Imperial County Transportation Commission

September 2017

SUBMITTED BY:

Michael Baker
INTERNATIONAL

TABLE OF CONTENTS

Section I.....	1
Introduction	1
Overview of the Transit System.....	1
Section II.....	5
Operator Compliance Requirements.....	5
Section III.....	12
Prior Triennial Performance Recommendations	12
Section IV	13
TDA Performance Indicators.....	13
Section V	22
Review of Operator Functions	22
Operations	22
Maintenance	25
Planning	25
Marketing	26
General Administration and Management	27
Section VI	29
Findings	30
Recommendations	32

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 Imperial County Transportation Commission (ICTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Imperial County. This performance audit is conducted for Yuma County Area Transit (YCAT) Routes 5 & 10 covering the most recent triennial period, fiscal years 2013-14 through 2015-16.

The purpose of the performance audit is to evaluate YCAT'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 YCAT's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether YCAT is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative 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 management, 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

In 2012, ICTC entered into a Memorandum of Understanding (MOU) with the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) and the Quechan Indian Tribe to provide public transit service in eastern Imperial County. This partnership subsidizes intercity fixed-route service provided by YCAT Routes 5 and 10 connecting eastern Imperial County communities with El Centro, California, and Yuma, Arizona. The YCAT routes are administered by YCIPTA and operated under contract by National Express Transit Services.

Initial funding for the service was provided through a Tribal Transit Grant from the Quechan Tribe. Pursuant to the MOU, ICTC discontinued the portion of Imperial Valley Transit (IVT) Route 3/300/350 service between Holtville and Winterhaven in order to provide an equivalent amount of funding to YCIPTA for the new service implemented during the one-year demonstration

period. The new service became YCAT Route 10 (also known as the “Turquoise Route”), which provided service three days a week. YCAT Route 5 (also known as the “Blue Route”) provides service six days a week between Yuma, the Fort Yuma Indian Reservation, and Winterhaven.

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border to the south, Riverside County to the north, San Diego County to the west, and the state of Arizona and Colorado River to the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county’s geographical land area encompasses 4,176 square miles and is traversed by 2,555 miles of roadway. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115.

Based on the 2010 US Census, Imperial County’s population was 174,528. The county and its incorporated cities saw notable growth between the 2000 and 2010 US Census, in particular the cities of Calexico and Imperial. The senior citizen population, comprising residents aged 65 and over, is 10.4 percent countywide. The 2017 population for Imperial County is estimated to be 188,334 as reported by the California Department of Finance. The community of Winterhaven is a census-designated place with a population of 394 based on the 2010 US Census.

Yuma County’s population as of the 2010 US Census was 195,751. The county’s geographical land area encompasses 5,514 square miles. From 2000 to 2010, Yuma County experienced a 22.3 percent increase in population. Yuma is the county seat and largest city with a population of 93,094 based on the 2010 US Census. The Fort Yuma Indian Reservation has a population of 2,189 and covers a 68.80-square-mile geographical land area. According to the most recent data (2014) from the Tribal Enrollment Office, the Quechan Tribe population totals 2,475 members.

System Characteristics

YCIPTA provides transit service under the YCAT brand, including fixed route, vanpool, and YCAT OnCall demand-response bus service throughout Yuma County, Arizona, including the cities of Yuma, San Luis, and Somerton, the Town of Wellton, the Cocopah Indian Reservation, and the Fort Yuma Indian Reservation, and including Winterhaven across the Colorado River in eastern Imperial County. YCAT also serves the unincorporated Arizona communities of Gadsden, Fortuna Foothills, and Ligurta.

The system does not operate Sundays and on the following holidays: New Year’s Day, Martin Luther King Jr. Day (observed), Presidents’ Day, Memorial Day (observed), Independence Day (observed), Labor Day, Veterans Day, Thanksgiving, and Christmas. Saturday schedule operates on Christmas Eve, New Year’s Eve, and the day after Thanksgiving.

TDA-supported services are composed of Route 5 (Blue Route) and Route 10 (Turquoise Route). Table I-1 summarizes the characteristics of each route as follows:

**Table I-1
YCAT Routes 5 & 10**

Route Number	Description	Frequency/Operation	Destinations
5	Blue	60 minutes (Monday through Friday from 7:19 a.m. to 6:11 p.m.) 60 minutes (Saturday from 10:19 a.m. to 4:11 p.m.)	<ul style="list-style-type: none"> ▪ Downtown Yuma Transit Center ▪ Paradise Casino ▪ Ironwood Drive ▪ Winterhaven (Hub Liquors) ▪ Quechan Casino Resort ▪ Andrade Port of Entry ▪ Winterhaven (Advance Cash)
10	Turquoise	Two bi-directional trips (Monday, Wednesday, & Saturday from 7:30 a.m. to 4:17 p.m.)	<ul style="list-style-type: none"> ▪ Downtown Yuma Transit Center ▪ Paradise Casino ▪ Winterhaven (Hub Liquors) ▪ Quechan Casino Resort ▪ Imperial Valley Mall ▪ El Centro Regional Medical Center ▪ El Centro - State & 7th Street

Source: YCIPTA

The Blue Route is a designated flex route, which can deviate up to three quarters of a mile on either side of the route. Passengers may request a route deviation from the bus operator or by calling YCAT 60 minutes in advance. Requests for flex stops are limited to the first four requests per one-way trip. There is an additional fare of \$2.00 for all passengers who request a flex.

Effective July 1, 2016, Saturday service on the Turquoise Route was discontinued. With this change, the route currently operates on Mondays and Wednesdays. In addition, YCAT implemented a cash-only fare policy on the route, and discount fares and passes were eliminated.

Fares

YCAT’s fares are structured based on passenger category and media. Basic fares are applicable to passengers ages 19 through 64 years old and youth ages 5 through 18 years old without identification. Discount fares are applicable to seniors ages 65 and older, persons with disabilities, Medicare Card holders, ADA-certified persons, and students ages 5 through 18 years old with school identification. The audit period’s current fare schedules are presented in Table I-2 below:

**Table I-2
YCAT Fare Schedule**

Category	Basic	Discount
One Way	\$2.00	\$1.00
One Way (Using Smart Card)	\$1.75	\$0.75
YCAT Day Pass	\$5.00	\$2.50
YCAT Day Pass (Using Smart Card)	\$3.50	\$1.75
10-Ride YCAT Pass (Using Smart Card)	\$17.50	\$7.50
31-Day YCAT Pass (Using Smart Card)	\$60.00	\$30.00
Express Fare Up-Charge	\$2.25	\$2.25

Source: YCIPTA

Fleet

Based on the Operations and Implementation Business Plan, YCIPTA operates two vehicle types on Routes 5 and 10. Blue Route 5 is operated with 32-passenger 2010 Chevy C5500 ENC Passport vehicles. Turquoise Route 10 is operated with 8-passenger 2010 Ford E350 ENC Aerolite vehicles. In 2014, YCIPTA obtained four trolleys from the Arizona Department of Transportation (ADOT) and three 40-foot buses from Long Beach Transit. All YCAT vehicles are wheelchair accessible in compliance with the Americans with Disabilities Act of 1990. Table I-3 shows the vehicle fleet inventory.

**Table I-3
YCIPTA Fleet Inventory**

Year	Make & Model	Quantity	Seating Capacity
1997	New Flyer D40F	3	39
2006	Freightliner Specialty Trolley	4	30
2010	Ford E350 ENC Aerolite	3	6 (2 W/C)
2010	Ford E350 ENC Aerolite	3	8 (2 W/C)
2010	Chevy C5500 ENC Passport	9	32
2014	Braun Entervan	1	6
2015	Dodge Grand Caravan	1	6
2015	Dodge Amerivan	1	6
2016	Gillig Low Floor	2	39
Total		27	

Source: YCIPTA

In addition to the revenue fleet, YCAT operates five administrative and utility vehicles composed of two Ford F-250 trucks and three 2013 Ford Focus vehicles.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of YCAT’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*, 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 of these requirements 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
<p>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).</p>	<p>Public Utilities Code, Section 99243</p>	<p>Completion/submittal dates: FY 2014: October 1, 2014 FY 2015: October 15, 2015 FY 2016: January 17, 2017</p> <p>YCAT services were reflected in the Transit Operators Financial Transactions Reports for general public use prepared by ICTC FY 2014 and FY 2015.</p> <p>The Quechan Indian Tribe became an eligible claimant of the TDA funds in FY 2016. The tribe is responsible for the preparation and submittal of the reports to the State Controller and ICTC.</p> <p>A copy of the FY 2016 Transit Operators Financial Transactions Report, dated January 17, 2017, was provided to the auditor, which was signed by the tribe’s interim finance director. The FY 2016 report was the first to be completed by the tribe.</p> <p>Conclusion: Partial compliance, FY 2016 Controller Report submitted after due</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>date.</p> <p>Pursuant to AB 1113 (Bloom) passed in July 2017, the submittal dates for the annual Transit Operators Financial Transaction Reports have been extended from 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. In addition, with the change in dates, these reports are required to contain underlying data from audited financial statements.</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 2014: October 27, 2014 FY 2015: December 1, 2015 FY 2016: March 29, 2017</p> <p>The FY 2016 Fiscal & Compliance Audit was commissioned by the Quechan Tribe, which was completed and received within the 90-day extension period.</p> <p>Sources: YCIPTA CAFR for FY 2014 & 2015; FY 2016 Quechan Indian Tribe TDA Financial Statement</p> <p>Conclusion: Complied.</p>
<p>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.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>YCIPTA, as an Arizona-based public transit operator, does not participate in the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13 months prior to each TDA claim.</p> <p>YCAT vehicles are not subject to such annual vehicle inspections because ADOT does not require them. YCIPTA inquired</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>into participation in the CHP program, but was informed that it could not have a California operator number. In lieu of the CHP inspections, YCIPTA has a biennial maintenance audit performed in January and July.</p> <p>Conclusion: Not applicable.</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>As a condition of approval, the annual claims for Local Transportation Funds are submitted in compliance with the rules and regulations adopted by ICTC. ICTC staff provides assistance as needed in completing the claim.</p> <p>Conclusion: Complied.</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.	Public Utilities Code, Section 99270.1	<p>Turquoise Route 10 was initially designated an “urban fixed-route,” subject to farebox recovery target of 18 percent based on fully allocated costs. The Eastern Imperial County Transit Operations and Implementation Business Plan was amended in FY 2016 and adjusted the route’s farebox recovery target to a blended rural/urban ratio of 12 percent.</p> <p>The farebox recovery for Turquoise Route 10 is as follows:</p> <p>FY 2014: 5.82% FY 2015: 5.86% FY 2016: 4.45%</p> <p>Sources: FY 2014-15 YCIPTA CAFR; FY 2016 Quechan Indian Tribe TDA Financial Statement</p> <p>Conclusion: Not in compliance;</p>

Table II-1		
Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		however, as a new service, the route has been exempt from meeting the farebox recovery during the first three years of service.
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).	Public Utilities Code, Section 99266	<p>Percentage increase in YCIPTA’s operating budgets for Route 5 & 10:</p> <p>FY 2014: +33.8%</p> <p>FY 2015: +10.5%</p> <p>FY 2016: +22.3%</p> <p>The increases in the operating budget are attributed to the implementation of new services.</p> <p>Source: Routes 5 & 10 Budget and Data Summaries, YCIPTA</p> <p>Conclusion: Complied.</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 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.	Public Utilities Code, Section 99247	<p>YCIPTA’s definition of performance measures as tracked and recorded by the contract operator is consistent with PUC Section 99247.</p> <p>Conclusion: Complied.</p>
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	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12,	This measure is not applicable, as YCAT Routes 5 & 10 are subject to rural and blended farebox recovery ratios established by the Eastern Imperial County Transit Operations and

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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.	99270.1	Implementation Business Plan (as amended) between ICTC, YCIPTA, and the Quechan Tribe. 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	Blue Route 5 is designated a “rural flex route,” subject to farebox recovery target of 10 percent based on fully allocated costs. The route classification and farebox recovery ratio are contained in the Eastern Imperial County Transit Operations and Implementation Business Plan. The farebox recovery for Blue Route 5 is as follows: FY 2014: 10.25% FY 2015: 6.70% FY 2016: 6.41% Sources: Routes 5 & 10 Budget and Data Summaries, YCIPTA; FY 2016 Quechan Indian Tribe TDA Financial Statement Conclusion: Partial compliance; however, as a new service, the route has been exempt from meeting the farebox recovery during the first three years of service.
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	Public Utilities Code, Section 99271	YCIPTA contracts with a private provider for operations, while YCIPTA contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State

Table II-1		
Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		<p>Retirement System.</p> <p>The Quechan Indian Tribe contributes to its employees' retirement through its own designated plans.</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>Although federal formula funds have been utilized, YCIPTA and the Quechan Indian Tribe do not receive state transit assistance fund revenues.</p> <p>Conclusion: Not applicable.</p>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the eight compliance requirements pertaining to YCAT Routes 5 and 10, the operator satisfactorily complied with five requirements. The operator was partially compliant with regard to the timely submittal of the Transit Operator Financial Transactions Reports to the State Controller and the rural area farebox recovery attainment (Blue Route 5). YCAT was not in compliance with regard with the blended farebox attainment (Turquoise Route 10). Three additional compliance requirements did not apply to the operator (i.e., annual CHP compliance, urban farebox recovery ratios, and the use of federal funds in conjunction with State Transit Assistance Funds).
2. The Eastern Imperial County Transit Operations and Implementation Business Plan establishes minimum farebox recovery targets for each route. The Blue Route 5 is classified as a “rural flex route” and is held to a 10 percent farebox recovery ratio. The Turquoise Route 10 is classified as a blended rural-urban route held to a 12 percent farebox ratio.
3. Blue Route 5 attained farebox recovery one out of three years. The farebox recovery ratio was 10.25 percent in FY 2014, 6.70 percent in FY 2015, and 6.41 percent in FY 2016. Turquoise Route 10 did not attain farebox recovery during the period. The farebox recovery ratio was 5.82 percent in FY 2014, 5.86 percent in FY 2015, and 4.45 percent in FY 2016. FY 2015-16 for Route 10 was deemed a one-time grace year for non-compliance with the farebox ratio.
4. YCIPTA, as an Arizona-based public transit operator, does not participate in the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13 months prior to each TDA claim. YCAT vehicles are not subject to such annual vehicle inspections because ADOT does not require them. YCIPTA inquired into participation in the CHP program, but was informed that it could not have a California operator number.
5. The operating budgets for Routes 5 and 10 exhibited significant increases during the period, exceeding 15 percent in FY 2014 and FY 2016. The budget increased 33.8 percent in FY 2014 and 22.3 percent in FY 2016. For FY 2015, the operating budget increased 10.5 percent. The budgetary increases were attributed to the implementation of new services.

Section III

Prior Triennial Performance Recommendations

YCAT's efforts to implement the recommendation made in the prior triennial audit are examined in this section of the report. For this purpose, the prior recommendation for the agency is described, followed by a discussion of YCAT's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendation has been adopted by the agency are then presented.

Prior Recommendation 1

Work with MOU partners to adjust the farebox recovery standard on YCAT Route 10.

Background: YCAT's Route 10 (Turquoise Route) operates three days a week between Yuma and El Centro pursuant to an MOU between ICTC, YCIPTA, and the Quechan Indian Tribe. The service is subsidized primarily by a Federal Transit Administration (FTA) Tribal Transit Grant as well as TDA Article 8 (c) funds from ICTC. Route 10 was classified as an "urban fixed-route" and was held to an 18 percent farebox recovery target. Route 10 replaced an IVT lifeline service that operated once a week between Winterhaven, Holtville, and El Centro, signifying a jump in the service classification. The prior audit noted that the ability for the route to consistently meet the 18 percent target was challenging given the longer distances traveled and current low passenger per hour and mile indicators. It was suggested that the parties to the MOU consider reclassifying the route as a lifeline service and/or reducing the farebox recovery target. A suggested target of between 10 and 15 percent stays within the parameters of a rural or lifeline service.

Actions taken by YCAT

This recommendation is also addressed in the Imperial Valley Transit audit, to which it was originally directed. ICTC, the Quechan Indian Tribe, and YCIPTA have continued to monitor the performance of Route 10, which commenced operation in January 2013 and provides lifeline service between eastern Imperial County and El Centro. Funding for this service has been derived from TDA, a contribution from the Quechan Indian Tribe, YCIPTA, and passenger fares. In consideration of the Route 10 performance trends, the Eastern Imperial County Transit Services Operations and Implementation Business Plan was amended in July 2015 and the MOU between ICTC, YCIPTA, and the Quechan Indian Tribe was revised in October 2015. Based on the projected ridership and historical data for Route 10 during its operation, the farebox recovery target was adjusted to 12 percent from the initial 18 percent.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews the performance of YCAT Routes 5 and 10 in providing transit service to the community in an efficient and effective manner. The 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.

Tables IV-1 through IV-3 provide the performance indicators for Routes 5 and 10 combined and separately. Charts are also provided to depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited figures.

**Table IV-1
YCAT Routes 5 and 10 TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$173,620	\$248,773	\$328,842	\$372,039	114.3%
Total Passengers	12,623	18,183	20,898	20,158	59.7%
Vehicle Service Hours	3,748	4,451	4,048	3,915	4.5%
Vehicle Service Miles	88,202	124,172	112,435	111,219	26.1%
Employee FTEs	3	3	3	3	0.0%
Passenger Fare Revenue	\$16,078	\$22,276	\$21,169	\$21,876	36.1%
Operating Cost per Passenger	\$13.75	\$13.68	\$15.74	\$18.46	34.2%
Operating Cost per Vehicle Service Hour	\$46.32	\$55.89	\$81.24	\$95.03	105.1%
Operating Cost per Vehicle Service Mile	\$1.97	\$2.00	\$2.92	\$3.35	69.9%
Passengers per Vehicle Service Hour	3.4	4.1	5.2	5.1	52.9%
Passengers per Vehicle Service Mile	0.14	0.15	0.19	0.18	26.6%
Vehicle Service Hours per Employee	1,249.33	1,483.67	1,349.33	1,305.00	4.5%
Average Fare per Passenger	\$1.27	\$1.23	\$1.01	\$1.09	-14.8%
Fare Recovery Ratio	9.26%	8.95%	6.44%	5.88%	-36.5%

Source: Routes 5 & 10 Budget and Data Summaries, YCIPTA; FY 2014-15 YCIPTA CAFR; FY 2016 Quechan Indian Tribe TDA Financial Statement

**Table IV-2
YCAT Route 5 Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$150,216	\$176,134	\$227,585	\$271,718	80.9%
Total Passengers	11,597	15,532	16,937	17,079	47.3%
Vehicle Service Hours	3,405	3,544	3,127	3,048	-10.5%
Vehicle Service Miles	88,202	85,086	74,048	73,292	-16.9%
Employee FTEs	1.5	1.5	1.5	1.5	0.0%
Passenger Fares	\$14,436	\$18,046	\$15,239	\$17,407	20.6%
Operating Cost per Passenger	\$12.95	\$11.34	\$13.44	\$15.91	22.8%
Operating Cost per Vehicle Service Hour	\$44.12	\$49.70	\$72.78	\$89.15	102.1%
Operating Cost per Vehicle Service Mile	\$1.70	\$2.07	\$3.07	\$3.71	117.7%
Passengers per Vehicle Service Hour	3.4	4.4	5.4	5.6	64.5%
Passengers per Vehicle Service Mile	0.13	0.18	0.23	0.23	77.2%
Vehicle Service Hours per Employee	2,270.00	2,362.67	2,084.67	2,032.00	-10.5%
Average Fare per Passenger	\$1.24	\$1.16	\$0.90	\$1.02	-18.1%
Fare Recovery Ratio	9.61%	10.25%	6.70%	6.41%	-33.3%

Source: Routes 5 & 10 Budget and Data Summaries, YCIPTA; FY 2016 Quechan Indian Tribe TDA Financial Statement
FY 2016 Operating costs and passenger fares are derived from audited data

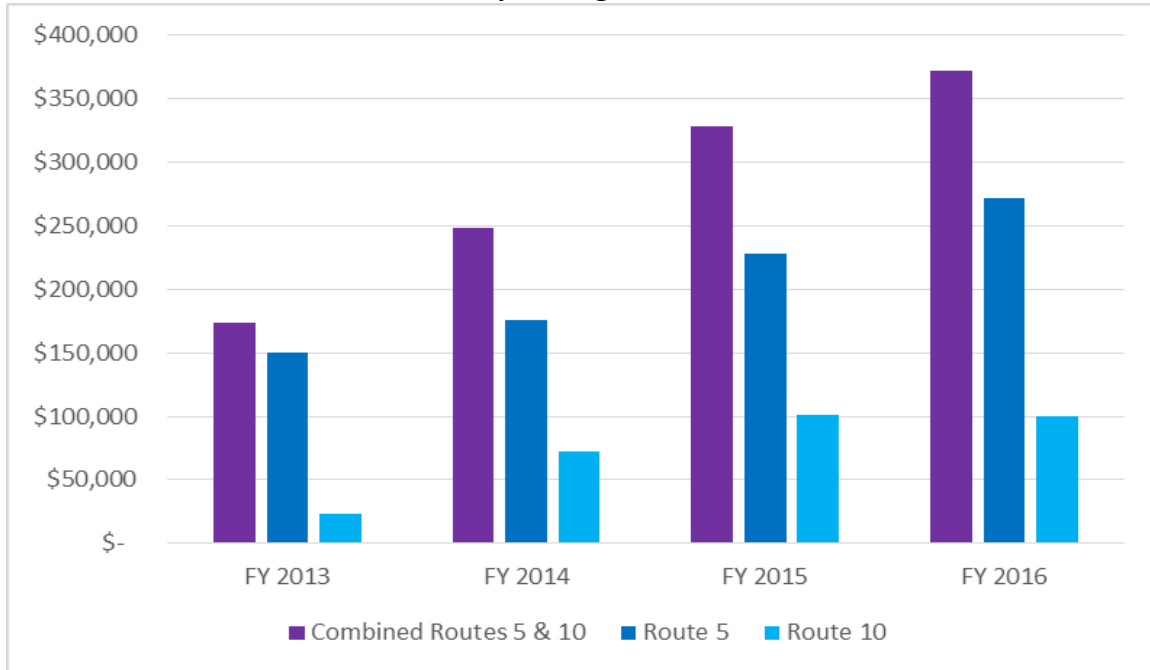
**Table IV-3
YCAT Route 10 Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$23,404	\$72,639	\$101,257	\$100,321	328.6%
Total Passengers	1,026	2,651	3,961	3,079	200.1%
Vehicle Service Hours	343	907	921	867	152.8%
Vehicle Service Miles	18,162	39,086	38,387	37,927	108.8%
Employee FTEs	1.5	1.5	1.5	1.5	0.0%
Passenger Fares	\$1,642	\$4,230	\$5,930	\$4,469	172.2%
Operating Cost per Passenger	\$22.81	\$27.40	\$25.56	\$32.58	42.8%
Operating Cost per Vehicle Service Hour	\$68.23	\$80.09	\$109.94	\$115.71	69.6%
Operating Cost per Vehicle Service Mile	\$1.29	\$1.86	\$2.64	\$2.65	105.3%
Passengers per Vehicle Service Hour	3.0	2.9	4.3	3.6	18.7%
Passengers per Vehicle Service Mile	0.06	0.07	0.10	0.08	43.7%
Vehicle Service Hours per Employee	228.67	604.67	614.00	578.00	152.8%
Average Fare per Passenger	\$1.60	\$1.60	\$1.50	\$1.45	-9.3%
Fare Recovery Ratio	7.02%	5.82%	5.86%	4.45%	-36.5%

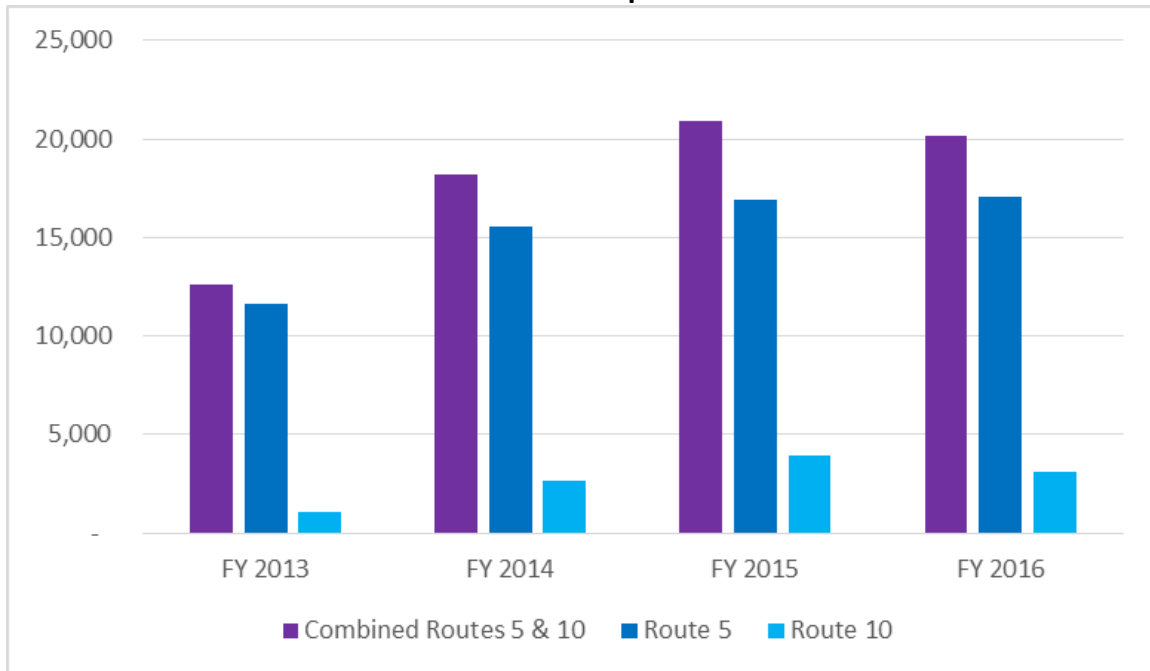
Source: Routes 5 & 10 Budget and Data Summaries, YCIPTA; FY 2014-15 YCIPTA CAFR; FY 2016 Quechan Indian Tribe TDA Financial Statement

Operating costs and passenger fares are derived from audited data

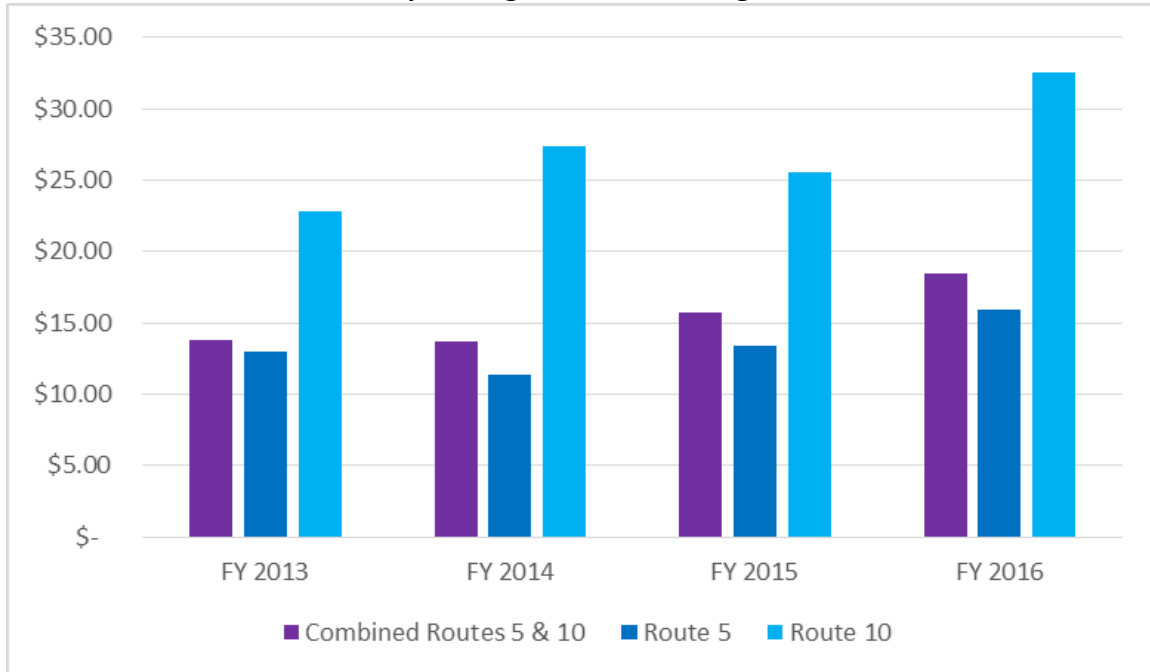
**Graph IV-1
Operating Costs**



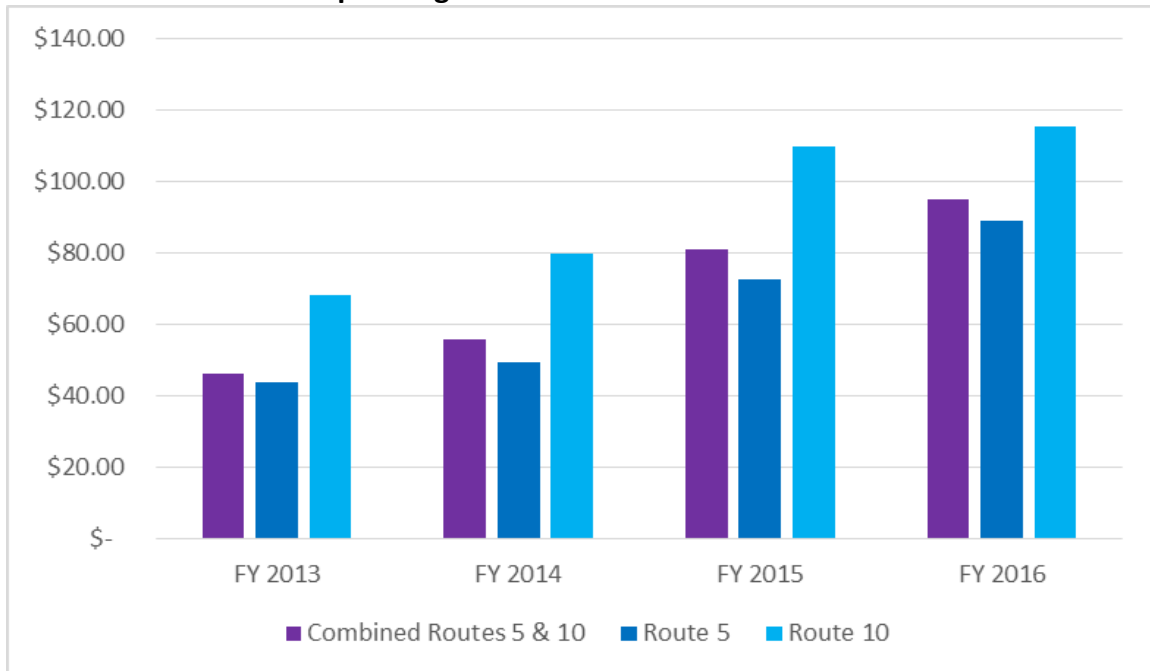
**Graph IV-2
Ridership**



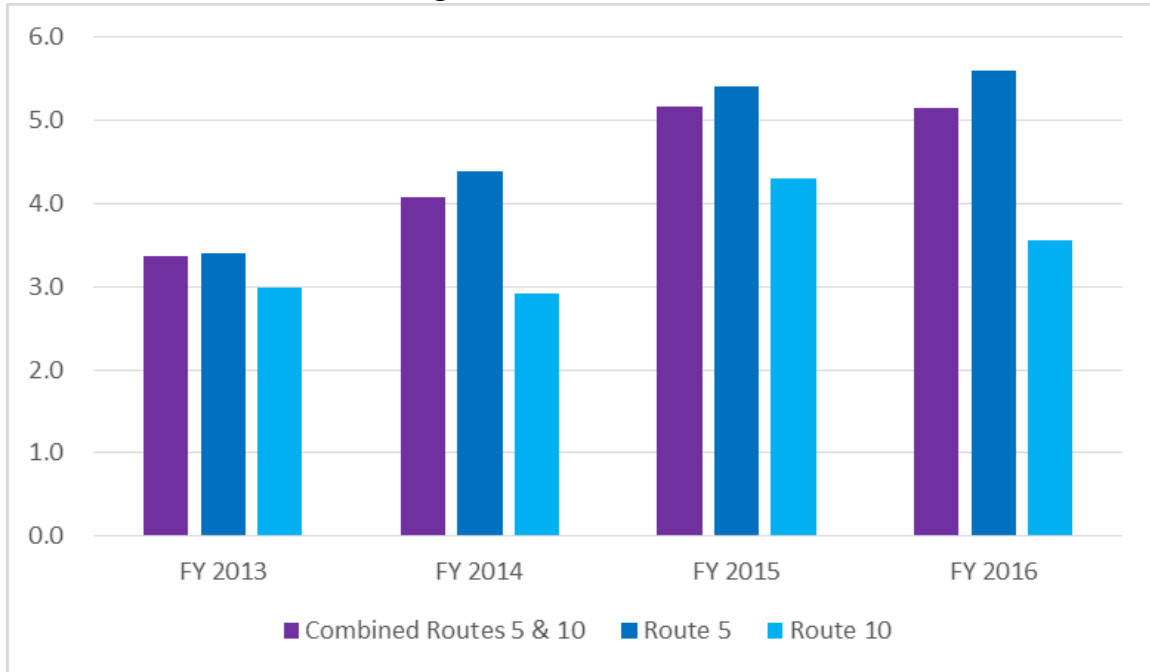
Graph IV-3
Operating Cost Per Passenger



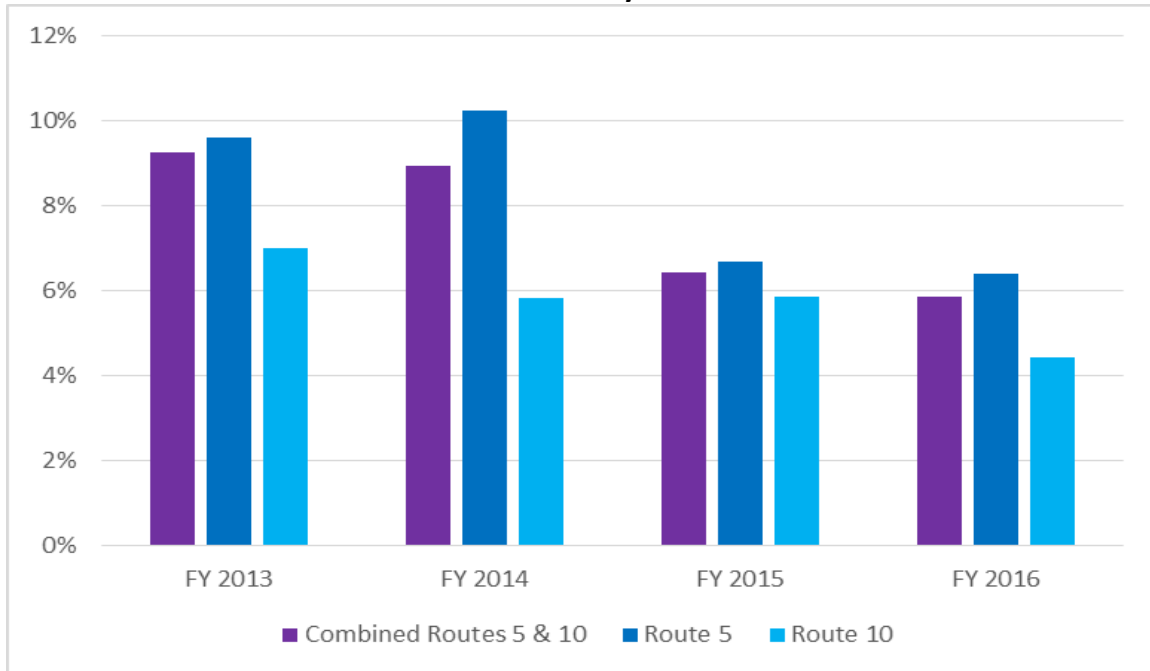
Graph IV-4
Operating Cost Per Vehicle Service Hour



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 102.1 percent on Blue Route 5 from \$44.12 in FY 2013 to \$89.15 in FY 2016. For Turquoise Route 10, cost per hour increased 69.6 percent from \$68.23 in FY 2013 to \$115.71 in FY 2016. These trends are consistent with the 80.9 percent increase in operating costs on Blue Route 5 and the 328.6 percent increase in costs on Turquoise Route 10. Operating cost per hour combined increased 105.1 percent during the period.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 22.8 percent on Blue Route 5 from \$12.95 in FY 2013 to \$15.91 in FY 2016. As noted above, operating costs increased 80.9 percent during the period; however, ridership increased 47.3 percent. Operating cost per passenger on Turquoise Route 10 increased 42.8 percent from \$22.81 in FY 2013 to \$32.58 in FY 2016. Ridership on Route 10 increased 200.1 percent while operating costs increased 328.6 percent during the period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 64.5 percent between FY 2013 and FY 2016 on Blue Route 5 from 3.4 passengers per hour to 5.6 passengers per hour. The trend in this indicator is reflective of the 47.3 percent increase in ridership while vehicle service hours exhibited a 10.5 percent decrease. On Turquoise Route 10, passengers per hour increased 18.7 percent from 3 passengers to 3.6 passengers. For the services combined, passengers per hour increased 52.9 percent.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased 77.2 percent between FY 2013 and FY 2016 from 0.13 passengers per mile to 0.23 passengers per mile on Blue Route 5. Passengers per service mile on Turquoise Route 10 increased 43.7 percent from 0.06 passengers in FY 2013 to 0.08 passengers in FY 2016. For the combined services, passengers per mile increased 26.6 percent from FY 2013 to FY 2016.
5. **Vehicle service hours per employee** decreased 10.5 percent on Blue Route 5 between the FY 2013 base year and FY 2016. This decrease was associated with the 10.5 percent decrease in vehicle service hours while the number of full-time equivalents (FTE) reported was 1.5 employees. For Turquoise Route 10, vehicle service hours per employee increased 152.8 percent due to the comparable increase in service hours and the number of 1.5 FTEs remaining constant. This measure is based on the number of employee using employee pay hours from the State Controller’s Report and dividing by 2,000 hours per employee.
6. **Farebox recovery** decreased for both routes during the audit period. Farebox recovery decreased by 33.3 percent on Blue Route 5 between FY 2013 and FY 2016 from 9.61 percent to 6.41 percent as annual operating costs increased 80.9 percent and passenger revenues increased only 20.6 percent. On Turquoise Route 10, farebox recovery

decreased 36.5 percent from 7.02 percent in FY 2013 to 4.45 percent in FY 2016 as operating costs increased 328.6 percent while passenger revenues increased 172.2 percent. For the combined services, farebox recovery decreased 36.5 percent from 9.26 percent in FY 2013 to 5.88 percent in FY 2016.

Conclusion from the Verification of TDA Performance Indicators

The performance indicators for YCAT Routes 5 and 10 reflect higher increases in operating costs coupled with lower increases in ridership and passenger fare revenues. YCIPTA procured a new transit operations and maintenance contract during the audit period. Operating costs reported for both routes are based on fully allocated costs including administrative overhead. Blue Route 5 is classified as a rural flex route with a farebox recovery attainment standard of 10 percent. While the route was able to meet its farebox recovery in FY 2014, farebox attainment exhibited an average annual decrease of 10.8 percent. Passenger trips increased 47.3 percent from 11,597 trips in FY 2013 to 17,079 trips in FY 2016 whereas revenues increased 20.6 percent. Vehicle service hours decreased 10.5 percent, which is attributed to the change in the service provision to a flex route/on-call service and adjustments made to the headways and alignment in Andrade.

Turquoise Route 10 initially had a farebox recovery target of 18 percent and was classified as an urban fixed route. To better meet farebox recovery, Route 10 was reclassified as a rural-urban lifeline service with a blended farebox recovery standard of 12 percent. The route continued to operate three days a week during the audit period. Passenger trips increased 200.1 percent from 1,026 trips in FY 2013 to 3,079 trips in FY 2016 whereas revenues increased 172.2 percent. However, operating costs exhibited a higher increase of 328.6 percent. With the challenges in farebox recovery attainment, Saturday service was eliminated on Route 10, effective July 2016.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within YCAT. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at YCIPTA offices in Yuma, Arizona, and the Economic Development Agency (EDA) Office on the Fort Yuma Indian Reservation:

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

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

Operations

The mission of YCIPTA describes the main functions of YCIPTA and its role within the Yuma County community. The mission gives the overall “charge” and purpose of the organization. All YCIPTA activities relate to one or more aspects of the mission statement:

Mission Statement

The Yuma County Intergovernmental Public Transportation Authority is committed to providing Yuma County with clean, affordable, reliable, efficient and safe public transportation services that aid in economic development, enhance the quality of life and ensure mobility and independence for our community.

Vision Statement

The Yuma County Intergovernmental Public Transportation Authority provides a cost effective public transportation system that improves the environment, air quality and the quality of life for our residents and visitors in the region.

In keeping with the aforementioned mission and vision, an MOU between YCIPTA, ICTC, and the Quechan Indian Tribe was executed in December 2012 for the implementation and operation of a regional connector bus service in eastern Imperial County by YCAT. YCAT is administered by YCIPTA with operations and maintenance contracted to an outside vendor. The bus routes covered under the MOU are YCAT Blue Route 5 and Turquoise Route 10.

At the beginning of the audit period, YCIPTA contracted with Parking Concepts, Inc. (dba Transportation Concepts) through May 31, 2014. On June 1, 2014, YCIPTA took operations in-house with ACME Staffing providing staff to continue operations until the new contractor, National Express Transit, assumed operation of the YCAT service effective August 25, 2014. YCIPTA reported that the negotiation period took longer than expected. The contract with National Express is for a three-year term with seven one-year extensions. The service contract contains a series of incentives and liquidated damages in the appendix.

The contract operator utilizes Ecolane scheduling and transit management software. Ecolane is an affiliate of National Express Transit. YCIPTA used the Solutions for Transit software package previously. On-time performance is tracked by the NextBus program, which was implemented in 2014. Performance standards are outlined in the MOU between YCIPTA, ICTC, and the Quechan Tribe. YCIPTA submits performance data on a monthly basis to ICTC and the Quechan tribe.

The driver's trip sheet is configured into three sections. The top third of the sheet provides a summary of the run where the driver records the date, bus and driver number, clock-in and in-service times, and mileage upon departing the yard. The middle portion of the trip sheet provides in-service information such as the starting mileage and time at the first pickup, fare revenue breakdown, miscellaneous statistics for wheelchairs and bikes, and ending mileage and timepoint. The bottom portion contains the out-of-service time, yard entrance time and mileage, and clock-out time.

YCAT – Blue Route 5

YCAT Blue Route 5 is classified as a rural flex route that runs on a 60-minute counter-clockwise alignment within the Fort Yuma Indian Reservation and Winterhaven, from Paradise Casino via Picacho Road and I-8 to Andrade/US Port of Entry, Downtown Yuma Transit Center, and Quechan Resort Casino. There are 43 stops along the route. The majority of passenger trips on Blue Route 5 are composed of medical appointments and trips to the Quechan Casino. Ridership is typically higher during the winter months.

Headways to Andrade, which is located on the United States/Mexico border, were changed to every other hour. These service adjustments allowed for improved on-time performance to the Quechan Casino. The route alignment to and from Andrade is SR 186, which connects with I-8. The Caltrans transportation concept report for SR 186 recognized that the route could also benefit from a permanently marked and designated transit stop for public buses and school buses.

The CHP disallowed YCAT from picking up passengers where SR 186 ends at the U-turn adjacent to the Port of Entry. The Quechan Tribe established a YCAT stop at the exit to its private parking lot in Andrade. Farm labor buses and other vehicles pay to enter the parking lot to pick up and drop off passengers, and the tribe allows school buses to pick up and drop off passengers in the Sleepy Hollow RV Park parking lot. The tribe waived the access fee for YCAT buses to use the parking lot.

YCAT – Turquoise Route 10

Transit service between El Centro, California, and Yuma, Arizona, has been operated on behalf of IVT by YCAT since January 2013. The service replaced the portion of IVT’s Route 3 that operated between Holtville and Winterhaven on Wednesdays. IVT had operated bus service from El Centro through Holtville to Winterhaven since 1989. During the audit period, Turquoise Route 10 operated three days a week on Monday, Wednesday, and Saturday with two bi-directional trips. Due to farebox attainment challenges, Saturday service was discontinued in July 2016.

In addition to the service change, YCIPTA adopted a cash fare policy on the route. The majority of passenger trips on Turquoise Route 10 are composed of medical appointments and trips to visit family and the Quechan Casino. The route was reclassified from an urban route to special service with a blended rural/urban farebox recovery ratio.

Personnel

The National Express service contract budgets 30 FTEs for operations and maintenance. Positions include 21 bus operators, two dispatchers, one road supervisor, a safety manager, and an administrative supervisor. Table V-1 lists the job classifications and the number of associated FTEs.

**Table V-1
National Express Full-Time Staffing**

Position	Number of FTEs
Bus Operators	21
Behind the Wheel Trainers	0
Dispatcher	2
Operations Supervisor	1
Project Manager	1
Operations/Safety Manager	1
Money Clerk	0
Administrative Assistant	0
Utility/Bus Stop Worker	0
Maintenance Manager	1
Mechanic A	2
Mechanic B	1
Mechanic C	0
Parts Clerk	0
Customer Service Specialist	0
Other Positions	0
Off Site Staff	0
Total Annual FTEs Required	30

Source: National Express, YCIPTA

Drivers and other personnel are recruited through the YCIPTA website, which contains a link to the National Express employment website. The National Express employment website has an online job application feature. Bus operator candidates are required to possess a Class B commercial driver's license with applicable endorsements. In addition, bus operators are required to be bilingual in English and Spanish.

Maintenance

Maintenance of YCAT buses is performed at the YCAT bus facility located at 2715 East 14th Street in Yuma. Road calls incurred on YCAT Routes 5 and 10 have been negligible.

YCIPTA is currently looking to purchase its own operations and maintenance facility in Yuma that can store up to 50 vehicles. The facility would house YCIPTA administrative staff, Greyhound ticket sales, and YCIPTA operations and maintenance contractor staff. The facility would also feature maintenance shop space, a bus wash area, and a fueling area for diesel and gasoline fuels with the potential to expand to compressed natural gas and parking for employees and customers. The purchase of a facility would allow YCIPTA to avoid paying leasing costs at its current location. It is anticipated that a maintenance facility would be purchased within the next one to two fiscal years.

YCIPTA uses the Zonar electronic fleet management system for pre-trip inspections. Zonar's Electronic Vehicle Inspection Report technology is utilized for daily pre- and post-trip inspections, which is transmitted via cellular signal into a database. When a defect is discovered, the driver selects a description from a predefined list and indicates if the vehicle is safe to operate. YCIPTA plans to introduce mobile tablets that will allow for paperless pre-trip inspections.

YCAT vehicles are not subject to annual vehicle inspections because ADOT does not require them. YCIPTA inquired into participation in the CHP program, but was informed that it could not have a California operator number. Nevertheless, YCIPTA has a maintenance audit performed twice annually in January and July. According to the YCAT transit director, the audit discovered significant issues in 2016 that resulted in the dismissal and replacement of the maintenance manager and the mechanics.

Planning

Several planning studies and initiatives have assessed the potential demand for transit service in eastern Imperial County. The Winterhaven/Quechan Reservation Rural Connector Report was commissioned by the Southern California Association of Governments (SCAG) and adopted in July 2008. The report addressed the existing conditions and mobility needs of Winterhaven/Fort Yuma Reservation residents and recommended service strategies for the study area that can be cost-effectively implemented.

Three years later, SCAG and the Quechan Indian Tribe commissioned the Quechan – Tribal Transit Planning, Service Strategies Report, which was adopted in June 2011. The Quechan

Indian Tribe received a \$232,000 grant from the FTA Tribal Transit Grant program to fund the transit study. The tribe approached YCIPTA and presented the recommendations cited in the study about offering transit service consisting of two routes from the Fort Yuma Indian Reservation located across the Colorado River from Yuma.

In addition to the aforementioned planning efforts, the YCIPTA Short-Range Transit Plan (SRTP) FY 2013-2014 to FY 2018-2019 was adopted in August 2014. The SRTP provides an overview of the YCAT service area, system performance analysis, survey and outreach results, an operations plan, revised performance standards, financial plan, capital improvement plan, and a marketing and outreach strategy.

The SRTP's recommended operations plan, which is designed to improve ridership, recognized the unique characteristics of YCAT Routes 5 and 10. Blue Route 5 combines a high-ridership market (links between Quechan Casino Resort, Winterhaven, Downtown Yuma Transit Center, and the southern end of the reservation) with a very low-ridership market (all service north of Winterhaven and Sapphire Lane in the reservation). It was suggested that select Blue Route 5 trips offer limited demand-responsive service to the reservation north of Sapphire Lane at selected times for mobility-challenged riders unable to walk from on-street stops.

With regard to Turquoise Route 10, the SRTP recommended shortening the route to end at the Downtown Yuma Transit Center, streamlining routing within El Centro to reduce miles, and using Bay 3 at the El Centro Regional Bus Transfer Terminal to improve route performance. The SRTP acknowledged the possibility of reducing service from three to two days a week if ridership and productivity did not improve. The number of service days was eventually reduced from three to two days a week effective July 2016.

Marketing

Marketing efforts for YCAT Routes 5 and 10 have ranged from various printed collateral to electronic media. Section 4 of the Eastern Imperial County Transit Services Operations and Implementation Plan contains the marketing and community outreach plan. YCIPTA is primarily tasked with developing coordinated marketing collateral and programs, which includes printed ads, flyers, rack cards, media, and coordination with employers.

YCAT publishes its own Rider's Guide, which includes the service to Imperial County. Maps and schedules for YCAT Route 10 are also featured toward the rear of the IVT Rider's Guide. The Rider's Guides are distributed through various outlets including the Fort Yuma Indian Reservation. YCIPTA has placed advertising in the *Imperial Valley Press* and the *Yuma Sun* newspapers. Display ads have been placed at the Imperial Valley Mall in El Centro. Transit interns from YCIPTA have given presentations to local community groups about mobility management and transit services available.

In addition, ICTC budgeted \$7,000 for seven pages of glossy advertisement in the AAA Senior Services Directory of all the transit services it administers including a listing for YCAT and a phone number.

Transit information is also accessible on the YCIPTA website (<http://www.ycipta.org/>). The website features a menu of routes and services, rider tools, fares and passes, news and updates, a document library, and a Google Transit trip planning tool. Social media links include YCIPTA's presence on Facebook, Flickr, Google, LinkedIn, and YouTube. Website content can be translated into Spanish with the Google Translate widget at the bottom of the web page. In addition, a link to the transit services are posted on the EDA page of the Quechan Tribe website (<https://www.quechantribe.com/departments-economic-development.html>).

As part of an expanded marketing strategy, YCIPTA has begun to target alternative high schools and partnerships with other schools involving the distribution of passes. Surveys were conducted on the Fort Yuma Indian Reservation to gauge whether tribal members have been using the service. Despite these efforts, marketing continues to be a challenge, particularly on the reservation. Some tribal members are not aware that the service exists. YCIPTA and the Quechan Tribe may want to consider marketing partnerships involving the local casino gaming centers in an effort to raise the profile of the service and boost ridership.

Pursuant to the federal Civil Rights Act of 1964, YCIPTA has an adopted Title VI Program. 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. Program compliance includes Title VI notices and complaint procedures available in English and Spanish posted on the website (<http://www.ycipta.org/title-vi.html>) along with the Limited English Proficiency Plan.

General Administration and Management

Administration and oversight of YCAT Routes 5 and 10 is outlined in Section 2 of the Eastern Imperial County Transit Services Operations and Implementation Plan. In 2013, YCIPTA, in cooperation with the Quechan Indian Tribe and ICTC, entered into an MOU for YCIPTA to operate the services. The MOU is reviewed and amended on an annual basis. The three entities meet quarterly to address and review service performance. Operating costs are fully allocated per revenue service hour. YCIPTA covers the fuel costs.

YCIPTA is vested with operating and contract oversight by administering the service contract with National Express, providing the legal operating authority as well as umbrella operating insurance through its contract operator. YCIPTA's transit director is designated as the project liaison responsible for contract management, route planning, and marketing. Specifically, the project liaison is responsible for the review and payment of monthly subsidy statements provided by the operations and maintenance contractor.

YCIPTA was formed on December 13, 2010, by the Yuma County Board of Supervisors to administer, plan, operate, and maintain public transit services in Yuma County. Under Arizona Revised Statutes-Title 28 Transportation, an intergovernmental public transportation authority may be established in any county in Arizona with a population of 200,000 or under. The Yuma Metropolitan Planning Organization transferred ownership of YCAT to YCIPTA effective July 1,

2012. The YCIPTA governing board is composed of nine voting members from the following member entities:

- Yuma County
- City of Yuma
- City of Somerton
- City of San Luis
- Town of Wellton
- Yuma Branch Campus of Northern Arizona University
- Arizona Western College
- Cocopah Indian Tribe
- Quechan Indian Tribe

The YCIPTA board meets on the fourth Monday of the month at 1:30 p.m. in the Aldrich Hall Auditorium at the Yuma County Development Services Building located at 2651 26th Street in Yuma. YCAT is administered by a transit director, who is supported by one office clerk, two office specialists, a management analyst, and a financial services operations manager. YCIPTA has agreements with Yuma County for human resources, financial services, and treasurer. YCIPTA also has agreements with the City of Yuma for information technology services.

ICTC and the Quechan Indian Tribe are identified as having supporting roles related to the operation of the routes. Both entities provide technical and policy guidance to YCIPTA, marketing assistance, and financial support through TDA Local Transportation Fund Article 8(c) and FTA Section 5311(c) programs.

ICTC was established under Senate Bill 607 as an independent successor agency to the Imperial Valley Association of Governments. ICTC provides direct administration, management, and oversight for IVT. The ICTC governing board is composed of 10 voting members and one ex officio member appointed by the governor of California. The membership of the ICTC board is as follows:

- Two members from the Imperial County Board of Supervisors
- One elected official (mayor or councilmember) from each of the seven incorporated cities in Imperial County
- One member from the Imperial Irrigation District Board of Directors
- One non-voting ex officio member appointed by the Governor of California (Caltrans, District 11 Director or representative)

Meetings of the ICTC board are convened on the fourth Wednesday of the month at 6:00 p.m. in the Imperial County Board Chambers located at 940 Main Street in El Centro. During the audit period, the ICTC Overall Work Plan and Budget reflected staffing of eight full-time positions to manage the agency's programs and services. The full-time positions include one office technician, one executive assistant/secretary to the Commission, one administrative analyst, three transportation/transit planner positions from entry level to senior level in classifications (responsible for regional transportation planning, regional transit planning, and transit service

administration), and the executive director. Toward the end of the audit period, ICTC filled the position of mobility coordinator, which is tasked with public outreach for paratransit services and administration of the eligibility and certification process for senior citizens and persons with disabilities as defined under the Americans with Disabilities Act of 1990.

The Quechan Tribe of the Fort Yuma Indian Reservation is a federally recognized Indian tribe organized under a constitution and bylaws ratified by the tribe on November 28, 1936, and approved by the Secretary of the Interior on December 18, 1936. The Quechan Indian Tribal Government is headed by a president and a vice president. The Tribal Council serves as the legislative body and is composed of the president, vice president, and five members.

Transit services are overseen by the EDA. ICTC approved the Quechan Tribe as an eligible TDA claimant for the eastern Imperial Valley transit service as TDA contributions increased to support the service. EDA staff prepares the budget request letter and the TDA claim. Pursuant to TDA, the Quechan Tribe receives Local Transportation Fund proceeds under Article 8(c) which are used for operating expenses.

Grants Management

Federal formula transit grant funds have been utilized to support operating costs and route planning in the eastern Imperial County service area. YCIPTA uses FTA Section 5307 urban formula grant funds allocated to the Winterhaven area. FTA Section 5311 rural formula funds have been allocated by ADOT to a small portion of the Fort Yuma Indian Reservation that is located in Arizona. Matching funds are derived from YCIPTA, fare revenues, and a portion of the Quechan Business Enterprise parking lot in-kind revenue.

The Quechan Tribe reported receipt of \$176,747 in FTA Section 5311(c) funds as reported in its FY 2015-16 TDA claim. FTA planning grants have been awarded through the Yuma Metropolitan Planning Organization toward community outreach and survey efforts to gauge interests and needs in the service area.

Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2014 through 2016. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the eight compliance requirements pertaining to YCAT Routes 5 and 10, the operator satisfactorily complied with five requirements. The operator was partially compliant with regard to the timely submittal of the Transit Operator Financial Transactions Reports to the State Controller and the rural area farebox recovery attainment (Blue Route 5). YCAT was not in compliance with regard with the blended farebox attainment (Turquoise Route 10). Three additional compliance requirements did not apply to the operator (i.e., annual CHP compliance, urban farebox recovery ratios, and the use of federal funds in conjunction with State Transit Assistance Funds).
2. The Eastern Imperial County Transit Operations and Implementation Business Plan establishes minimum farebox recovery targets for each route. The Blue Route 5 is classified as a “rural flex route” and is held to a 10 percent farebox recovery ratio. The Turquoise Route 10 is classified as a blended rural-urban route held to a 12 percent farebox ratio.
3. Blue Route 5 attained farebox recovery one out of three years. The farebox recovery ratio was 10.25 percent in FY 2014, 6.70 percent in FY 2015, and 6.41 percent in FY 2016. Turquoise Route 10 did not attain farebox recovery during the period. The farebox recovery ratio was 5.82 percent in FY 2014, 5.86 percent in FY 2015, and 4.45 percent in FY 2016. FY 2015-16 for Route 10 was deemed a one-time grace year for non-compliance with the farebox ratio.
4. YCIPTA, as an Arizona-based public transit operator, does not participate in the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13 months prior to each TDA claim. YCAT vehicles are not subject to such annual vehicle inspections because ADOT does not require them. YCIPTA inquired into participation in the CHP program, but was informed that it could not have a California operator number.
5. The operating budgets for Routes 5 and 10 exhibited significant increases during the period, exceeding 15 percent in FY 2014 and FY 2016. The budget increased 33.8 percent in FY 2014 and 22.3 percent in FY 2016. For FY 2015, the operating budget increased 10.5 percent. The budgetary increases were attributed to the implementation of new services.
6. The prior recommendation to adjust the farebox recovery standard on YCAT Turquoise Route 10 was implemented.

7. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 102.1 percent on Blue Route 5 from \$44.12 in FY 2013 to \$89.15 in FY 2016. For Turquoise Route 10, cost per hour increased 69.6 percent from \$68.23 in FY 2013 to \$115.71 in FY 2016. These trends are consistent with the 80.9 percent increase in operating costs on Blue Route 5 and the 328.6 percent increase in costs on Turquoise Route 10. Operating cost per hour combined increased 105.1 percent during the period.
8. Operating cost per passenger, an indicator of cost effectiveness, increased 22.8 percent on Blue Route 5 from \$12.95 in FY 2013 to \$15.91 in FY 2016. As noted above, operating costs increased 80.9 percent during the period; however, ridership increased 47.3 percent. Operating cost per passenger on Turquoise Route 10 increased 42.8 percent from \$22.81 in FY 2013 to \$32.58 in FY 2016. Ridership on Route 10 increased 200.1 percent while operating costs increased 328.6 percent during the period.
9. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 64.5 percent between FY 2013 and FY 2016 on Blue Route 5 from 3.4 passengers per hour to 5.6 passengers per hour. The trend in this indicator is reflective of the 47.3 percent increase in ridership while vehicle service hours exhibited a 10.5 percent decrease. On Turquoise Route 10, passengers per hour increased 18.7 percent from 3 passengers to 3.6 passengers. For the services combined, passengers per hour increased 52.9 percent.
10. YCIPTA contracted with Parking Concepts, Inc. (dba Transportation Concepts) through May 31, 2014. On June 1, 2014, YCIPTA took operations in-house with ACME Staffing providing staff to continue operations until the new contractor, National Express Transit, assumed operation of the YCAT service effective August 25, 2014. The contract with National Express is for a three-year term with seven one-year extensions.
11. The YCIPTA Short-Range Transit Plan (SRTP) FY 2013-2014 to FY 2018-2019 was adopted in August 2014. The SRTP provides an overview of the YCAT service area, system performance analysis, survey and outreach results, an operations plan, revised performance standards, financial plan, capital improvement plan, and a marketing and outreach strategy.
12. ICTC and the Quechan Indian Tribe are identified as having supporting roles related to the operation of the routes. Both entities provide technical and policy guidance to YCIPTA, marketing assistance, and financial support through TDA Local Transportation Fund Article 8(c) and FTA Section 5311(c) programs. ICTC approved the Quechan Tribe as an eligible TDA claimant for the eastern Imperial Valley transit service as TDA contributions increased for the service.

Recommendations

1. Review opportunities for increasing local revenue to boost farebox recovery.

State Senate Bill 508, passed in October 2015, makes changes to how farebox recovery is calculated. Consistent with current practice, transit systems are able to boost their farebox recovery through inclusion of local revenues generated by the transit service. YCIPTA, ICTC, and the Quechan Tribe are aware that the Blue and Turquoise Routes are not meeting their respective farebox recovery targets. Initial measures have included reduced service days on Turquoise Route 10 and increased marketing efforts.

Given the farebox attainment challenges, supplemental local revenues could improve farebox without an immediate need to raise fares. In addition to local transportation sales tax revenue, examples of local fund revenues include advertisement on buses and bus shelters, gains on the sale of capital assets, lease revenues generated by transit-owned property, local contributions, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Both revenues and operating costs are modified in deriving the farebox ratio for TDA eligibility purposes, and the Quechan Tribe with the assistance of ICTC should work with the fiscal auditor to accurately reflect the farebox ratio allowed under new state law.

2. Revise timeline of transit operator State Controller Report submittals.

The California State Assembly passed new legislation (AB 1113 - Bloom) on July 21, 2017, that changes the timeline to submit the annual Transit Operators Financial Transaction Reports to the State Controller. These reports, which the Quechan Indian Tribe is tasked with preparing for YCAT Routes 5 and 10, have extended submittal dates from within 110 days after fiscal year end to seven months after fiscal year end, or end of January. This is an extension of about 100 days. In addition, with the change in dates, these reports are required to contain underlying data from audited financial statements. This means the State Controller Reports must contain audited financial data drawn from the annual transit operator fiscal audits which are due 180 days, or six months, after fiscal year end. The State Controller will provide notification on the revised timelines.

3. Increase community outreach and marketing efforts on the Fort Yuma Indian Reservation.

The Quechan Tribe is tasked with marketing YCAT Routes 5 and 10 on the Fort Yuma Indian Reservation. As per the routes' marketing and community outreach plan, the Tribe is to have IVT and YCAT Rider's Guides available for distribution throughout the reservation. Other efforts include the dissemination of transit information door-to-door, online, and over social media as well as on casino bulletin boards. The Tribe would also allow the sale of bus passes at its retail enterprises and casinos on the reservation.

In spite of these measures, some tribal members are still unaware of the transit services. For example, transit information on the Quechan Tribe website is posted on the EDA page,

which can be difficult to find. It is suggested that the Tribe increase awareness of the transit service. Some approaches could include presentations and staff reports at Tribal Council meetings, placing the transit information or links on the home page of the tribal website, and distributing free passes on the reservation to encourage ridership.