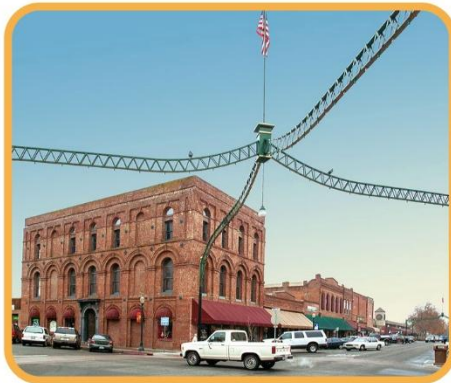


FY 2022-2024  
TRIENNIAL PERFORMANCE AUDIT OF  
YUBA-SUTTER TRANSIT AUTHORITY

SUBMITTED TO



SACRAMENTO AREA COUNCIL  
OF GOVERNMENTS



SUBMITTED BY

**FINAL**



June 2026

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## Executive Summary

The Sacramento Area Council of Governments (SACOG) engaged the Michael Baker International audit team (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the eight public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for the Yuba-Sutter Transit Authority (Yuba-Sutter Transit or Authority), covering the most recent triennial period, fiscal years 2021-22 through 2023-24.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Functional review
- Peer review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of Yuba-Sutter Transit.

### Compliance with TDA Requirements

Of the compliance requirements pertaining to Yuba-Sutter Transit, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to the Authority (i.e., exclusive rural and urbanized farebox recovery ratios).

### Status of Prior Audit Recommendations

Yuba-Sutter Transit is in the process of implementing two prior audit recommendations, while two have been implemented. Recommendations currently in process relate to the implementation of new technology systems to enhance performance data analysis and the adoption of mobile and contactless fare payment options. Implemented recommendations pertained to enhancements to marketing and outreach efforts and improvements to safety performance in response to revised accident reporting protocols.

## Transit System Performance Trends

1. Yuba-Sutter Transit's farebox recovery ratio remained above the required 14.6 percent standard throughout based on audited data reported in the Yuba-Sutter Transit Authority - Audited Financial Statements and Compliance Reports. The farebox recovery ratio was 63.96 percent in FY 2022; 42.99 percent in FY 2023; and 43.06 percent in FY 2024.<sup>1</sup> The average system-wide farebox recovery ratio was 50 percent during the triennial review period.
2. Operating costs increased 13.5 percent system-wide from the FY 2021 base year to FY 2024 using audited operating cost data. Fixed route and commuter operating costs increased by 8.0 percent, while Dial-A-Ride operating costs increased by 30.4 percent using unaudited modal data. On an average annual basis, system-wide operating costs increased by 4.5 percent, with the largest year-over-year increase of 11.1 percent occurring in FY 2023, reflecting inflationary pressures and service stabilization following the pandemic.
3. Ridership increased 65.0 percent system-wide, from 347,891 passenger trips in FY 2021 to 573,966 trips in FY 2024. Fixed route and commuter ridership increased by 64.4 percent, while Dial-A-Ride ridership increased by 74.9 percent, generally mirroring the system-wide recovery trend. Despite these gains, total ridership remains below pre-pandemic levels. Ridership declined from 931,948 trips in FY 2019 to 347,891 trips in FY 2021, representing a 66 percent reduction. By FY 2024, ridership had recovered to 61.6 percent of pre-pandemic levels, largely driven by fixed route and commuter services, which recovered to 62.2 percent of FY 2019 ridership.
4. Vehicle service hours and miles decreased slightly on a system-wide basis over the audit period, declining 0.8 percent and 1.6 percent, respectively. At the modal level, fixed route and commuter service hours declined by 7.3 percent, and service miles declined by 8.2 percent, reflecting reduced commuter frequencies. In contrast, Dial-A-Ride service hours increased by 19.7 percent and service miles increased by 29.2 percent, consistent with increased demand for demand-response services.
5. Operating cost per passenger, a key indicator of cost effectiveness, decreased 31.2 percent system-wide, from \$21.68 in FY 2021 to \$14.92 in FY 2024. Operating cost per passenger declined 34.3 percent for fixed route and commuter services and 25.5 percent for Dial-A-Ride. These improvements reflect substantial ridership gains as pandemic-related travel

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<sup>1</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21. AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19.

restrictions eased, while operating costs increased more gradually.

6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 14.5 percent system-wide, from \$110.01 in FY 2021 to \$125.92 in FY 2024. This indicator increased 16.5 percent for fixed route and commuter services and 8.9 percent for Dial-A-Ride, largely attributable to inflation, labor cost growth, and changes in service delivery.

## Functional Review

1. Yuba-Sutter Transit experienced continued ridership recovery, reaching approximately 65 percent of pre-pandemic levels by FY 2024, led by fixed-route and Sacramento commuter services. Service levels remained moderated to reflect evolving travel patterns, while rural services to non-member communities were maintained. Operations were also affected by State Route (SR) 70 construction activities, which temporarily constrained yard space and required operational adjustments.
2. During the audit period, Yuba-Sutter Transit advanced planning for a replacement operations, maintenance, and administration facility, including acquisition of a 19.72-acre site in Linda in 2021. The proposed next-generation facility is designed to support zero-emission fleet conversion, future service expansion, and integrated infrastructure such as solar energy generation. Progress included environmental review, preliminary design activities, and successful pursuit of significant federal and state grant funding to support project delivery.
3. Operations and maintenance personnel are fully contracted to Storer Transit Systems, which employs approximately 74 full-time staff to support Yuba-Sutter Transit services. Staffing levels were stable during the audit period, with low turnover and an experienced workforce, supported by structured recruitment, training, and performance evaluation practices. While management reported generally effective staffing and retention, ongoing attention to wage competitiveness was noted as an area to monitor to sustain workforce stability.
4. Maintenance services encompass fleet maintenance, staffing, and facility operations. The maintenance program is supported by certified mechanics and strengthened by improved coordination following the hiring of a new maintenance manager in February 2025. While the existing facility remains adequate for current operations, it is nearing capacity, and the Authority is planning for a new maintenance facility to support future fleet growth and electrification.
5. Yuba-Sutter Transit's planning efforts focused on post-pandemic service recovery, route performance evaluation, and long-term system planning through development and adoption of the NextGen Transit Plan. Adopted in May 2023, the Plan serves as the Authority's Comprehensive Operational Analysis (COA) and Short-Range Transit Plan (SRTP), providing a data-driven framework to guide service modernization, future capital investments, and system improvements over the next 5 to 10 years, with implementation approached through additional analysis and public engagement.

6. During the audit period, Yuba-Sutter Transit increased its focus on marketing and public outreach, consistent with priorities identified in the NextGen Transit Plan. Efforts included refreshed website content and improved messaging in advance of the Authority's 50th anniversary, laying the foundation for expanded visibility and communications improvements implemented after the audit period.
7. The Authority is administered by a six-person staff led by an executive director. The former executive director retired in June 2023 following nearly 44 years of public service, including approximately 36 years in that role. A planned leadership transition occurred in July 2023 with the appointment of the current executive director, who brought prior executive experience and previous service with Yuba-Sutter Transit, providing continuity during implementation of the NextGen Transit Plan.

## Recommendations

Performance Audit Recommendation	Background	Timeline
1. Improve TDA Cash-Flow Management and Disbursement Coordination.	<p>Authority staff reported challenges with the timely receipt of TDA funds from local member jurisdictions. These timing delays have contributed to cash-flow constraints, particularly given that approximately 25 to 30 percent of the Authority's operating revenues are derived from federal sources received on a reimbursable basis. SACOG has recommended that transit operators maintain approximately six months of operating funds as a cash-flow float to address such timing differences.</p> <p>Improved coordination on TDA disbursement timing and establishment of a reasonable cash-flow framework would strengthen financial stability, reduce short-term liquidity risk, and support continuity of service delivery. It is recommended that the Authority work with its member jurisdictions together with SACOG education and mediation efforts to improve the timeliness of TDA fund disbursements and consider formalizing a cash-flow or operating-reserve policy to mitigate the impacts of reimbursable federal funding and support ongoing operations.</p>	High Priority

Performance Audit Recommendation	Background	Timeline
2. Periodically Review Fare Policy and Fare Media Performance.	<p>The Authority collects approximately 65 to 75 percent of fare revenues through electronic fare media, primarily the Connect Card, reflecting a largely cashless fare structure. Fare changes implemented in January 2025, including monthly passes valid on microtransit services, highlight the importance of ongoing evaluation of fare structures and fare media usage as travel patterns and customer preferences evolve. Regular monitoring will support data-informed adjustments to fare policies and technologies while balancing customer convenience and revenue performance. It is recommended that the Authority continue to periodically review fare policies and fare media performance to ensure alignment with ridership trends, revenue objectives, and service delivery models, including microtransit.</p>	Medium Priority

## Section I

### Introduction

California’s 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.

SACOG engaged the Michael Baker International audit team (Michael Baker) to conduct the TDA triennial performance audit of the eight public transit operators under its jurisdiction. This performance audit is conducted for the Yuba-Sutter Transit Authority (Yuba-Sutter Transit or Authority), covering the most recent triennial period, fiscal years 2021-22 through 2023-24.

The purpose of the performance audit is to evaluate the Authority’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 the Authority’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the Authority 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 this analysis, 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 and 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

The Yuba-Sutter Transit Authority, operating as Yuba-Sutter Transit, provides public transit service in Yuba and Sutter counties (as well as commuter service to downtown Sacramento) under a joint powers agreement (JPA) between Yuba and Sutter counties and the cities of Marysville and Yuba City. The JPA was created in July 1975 between the counties and cities and operated under the name Hub Area Transit Authority. Yuba-Sutter Transit is directed by an eight-member Board of Directors composed of two elected representatives appointed by each of the four member entities. All Yuba-Sutter Transit’s maintenance and operations are provided through Storer Transit Systems under contract with the Yuba-Sutter Transit Authority.

Yuba and Sutter counties are in the central Sacramento Valley, approximately 40 miles north of Sacramento. Both are agrarian counties of similar size (just over 600 square miles). Yuba County includes the incorporated cities of Marysville (the county seat) and Wheatland, as well as the unincorporated urban communities of Linda and Olivehurst. Beale Air Force Base is also located in Yuba County. Sutter County includes the incorporated cities of Yuba City (the county seat) and Live Oak, and numerous small, rural communities.

A demographic snapshot of key cities and census-designated places (CDPs) in the Yuba-Sutter Transit service area is presented below in Table I-1.

**Table I-1  
Yuba-Sutter Transit Service Area Demographics**

City	2020 US Census Population	Change from 2010 US Census	Population 65 Years & Older % (2024 ACS 5-Year Estimate)	2026 Population Estimates (Department of Finance)	Land Area in Square Miles
<b>Yuba County</b>					
Marysville	12,844	6.4%	12.8%	12,679	3.46
Wheatland	3,712	7.4%	13.0%	4,140	8.12
Unincorporated	65,019	14.8%	13.5%	70,873	620.42
<b>Total Yuba County</b>	<b>81,575</b>	<b>13.1%</b>	<b>13.5%</b>	<b>87,692</b>	<b>632.00</b>
<b>Sutter County</b>					
Live Oak	9,106	7.6%	13.4%	9,755	3.12
Yuba City	70,117	8.0%	16.0%	71,572	14.66
Unincorporated	20,410	-4.4%*	17.1%	20,352	584.92
<b>Total Sutter County</b>	<b>99,633</b>	<b>5.2%</b>	<b>17.1%</b>	<b>101,679</b>	<b>602.70</b>
<b>Total Yuba &amp; Sutter Counties</b>	<b>181,208</b>	<b>8.6%</b>	<b>16.3%</b>	<b>189,371</b>	<b>1,234.7</b>

Source: 2020 US Census; 2024 ACS 5 Year Estimates; California Department of Finance, 2026 Population Estimates

\*Disparity due primarily to the annexation of unincorporated areas into the city of Yuba City

Marysville is the county seat and the largest city in Yuba County. The county’s senior citizen population, composed of residents aged 65 and over, was 13.5 percent. The 2026 population for Yuba County is estimated to be 87,692 as reported by the California Department of Finance, a modest increase from the 2020 Census figures.

Yuba City is the county seat and largest city in Sutter County, based on the 2020 Census. The county's senior citizen population, composed of residents aged 65 and over, was 16.3 percent. The 2026 population for Sutter County is estimated to be 101,679 as reported by the California Department of Finance, a modest increase from the 2020 Census figures.

Both counties experienced an increase in population between the 2010 and 2020 US Censuses, with Yuba County increasing approximately 13 percent and Sutter County increasing approximately 5 percent. Combined, Yuba & Sutter County population grew approximately 8.6 percent. Comparatively, the State of California population grew approximately 6 percent over the same time period with an estimated 15.2 percent population aged 65 and older.

### System Characteristics

Yuba-Sutter Transit provides fixed-route and Dial-A-Ride services in the urban areas (Yuba City, Marysville, Linda, and Olivehurst) and rural route deviation service to Live Oak, Wheatland, and the Yuba County foothills. It also provides commuter and midday service to downtown Sacramento. Yuba-Sutter Transit operates Monday through Saturday. There is no service on Sundays or holidays. An overview of each service is presented as follows:

**Local:** Yuba-Sutter Transit operates a network of six fixed routes in its local urban service weekdays between 6:30 a.m. and 8:00 p.m. and Saturdays from 8:30 a.m. to 5:30 p.m. The six routes provide service between Yuba City, Marysville, Linda, and Olivehurst. Buses operate every 30 to 60 minutes. Convenient timed transfers are available at Yuba College in Linda; the Yuba County Government Center; and the Walton Terminal (Sam's Club/Sunsweet) in Yuba City.

**Sacramento Commuter Express:** Yuba-Sutter Transit offers frequent commute-hour service between Marysville/Yuba City and key stops in downtown Sacramento. Riders can catch the Commuter Express in Yuba City, Marysville, Olivehurst, or Plumas Lake. The buses travel along highways 99 and 70 into downtown.

**Sacramento Midday Express:** Yuba-Sutter Transit operates two midday runs: late morning (8:50-9:05 a.m. downtown) and around noon (12:05-12:25 p.m. downtown) each weekday between Yuba City/Marysville and downtown Sacramento. Riders can catch the Midday Express in Yuba City, Marysville, Olivehurst, or Plumas Lake.

**Rural Routes:** A combination of advance reservation and scheduled services are offered from selected rural cities and communities to the Marysville/Yuba City urban area where transfers can be made to other services.

- The Foothill Route offers two round trips every Tuesday, Wednesday, and Thursday from Brownsville, Oregon House, Willow Glen, and Loma Rica to Marysville and most points in between. Scheduled service is provided from the four Foothill stops, while advance reservation is required for service between those stops.
- The Live Oak Route offers two round trips Monday through Friday from Live Oak to Yuba City and Marysville. There are six scheduled stops in Live Oak, while advance reservation is required for service between those stops or to the Sutter County Center at Yuba College.

- The Wheatland Route offers one round trip every Monday through Friday between Wheatland and Marysville. Within Wheatland, there are five scheduled bus stops in Wheatland, while advance reservation is required for service between those stops.

**Dial-A-Ride:** Yuba-Sutter Transit provides complementary Americans with Disabilities Act (ADA) compliant paratransit service Monday through Thursday from 6:30 a.m. to 8:00 p.m., Fridays from 6:30 a.m. to 9:30 p.m., and Saturdays from 8:30 a.m. to 5:30 p.m. This service is also available to seniors (age 65+) and eligible persons with disabilities.

**Mobility-On-Demand (MOD):** In May 2025, Yuba-Sutter Transit implemented a MOD microtransit service serving the Linda and Olivehurst communities, providing zone-based, shared-ride connections to the agency’s fixed-route network and improving first- and last-mile access. Because the MOD service was implemented after the conclusion of the FY 2022–24 audit period, its performance and impacts were not evaluated as part of this triennial performance audit.

### Fares

Yuba-Sutter Transit’s fares are structured according to passenger category and fare media type. Up to two children aged four and under per adult ride free. All passengers requesting a discount fare by virtue of their age or disability must present valid identification and/or proof of eligibility, along with the proper fare upon boarding. Passengers can pay with cash and paper tickets (Yuba-Sutter Transit sells two ticket sheet types: Twenty \$0.75 tickets for \$15 and Twenty \$0.50 tickets for \$10) available at Yuba-Sutter Transit’s office in Marysville, or with the reloadable Connect Card (available online or from one of four sales counters in Yuba City, Marysville, and Linda).

The basic cash fare on the local fixed-route service is \$1.50 per trip and the discount cash fare for eligible seniors, youth, and persons with disabilities is \$0.75 per trip. This change occurred in July 2019. If riders use the Connect Card, there is a daily fare cap of \$3.00 for basic-fare riders and \$1.50 for discount-fare riders. Effective January 1, 2025, daily caps increased to \$4.50 basic-fare riders and \$2.25 for discount-fare riders.

On local route services, the Basic Fare Daily Cap is available with the Connect Card. Riders can also purchase monthly passes on Connect Card. Yuba-Sutter Transit’s local route fare structure is shown in Table I-2.

**Table I-2  
Local Fare Structure**

Local	Cash	Daily Cap	Monthly Pass*
Full Fare	\$1.50	\$3.00	\$10.00
Youth (ages 5-18), Seniors (ages 65+), Eligible Disabled & Medicare Cardholders	\$0.75	\$1.50	\$5.00
Ticket Sheets (Twenty \$0.50 tickets)	\$10.00		
Ticket Sheets (Twenty \$0.75 tickets)	\$15.00		

Source: Yuba-Sutter Transit

\*Monthly Pass prices temporarily reduced from \$20 and \$10 using outside grant revenues; price reductions will end on January 1, 2025. Pass prices increased in January 2025. Same grant subsidies continued to be applied but out-of-pocket pass price increased to \$20/\$10 per month.

The cost of a monthly Sacramento Commuter pass is \$135 while the basic cash fare for a one-way commuter trip is \$4.50 per trip. The discount cash Sacramento fare for students, seniors, and people with disabilities is only available on the Sacramento Midday schedule for \$2.25 per trip. A combined monthly commuter pass for Yuba-Sutter and the Sacramento Regional Transit District (SacRT) is \$185.

**Table I-3  
Commuter Fare Structure**

Sacramento Commute	Morning/ Afternoon	Midday	Monthly Pass	Combined SacRT Pass
Full Fare	\$4.50	\$4.50	\$135.00	\$185.00
Youth (ages 5-18), Seniors (ages 65+), Eligible Disabled & Medicare Cardholders	\$4.50	\$2.25	\$135.00	\$185.00

Source: Yuba-Sutter Transit

Yuba-Sutter Transit’s rural route fare structure is shown in Table I-4.

**Table I-4  
Rural Fare Structure**

Rural	Cash	Monthly Pass*
Full Fare	\$3.00	\$10.00
Youth (ages 5-18), Seniors (ages 65+), Eligible Disabled & Medicare Cardholders	\$1.50	\$5.00
Ticket Sheets (Twenty \$0.75 tickets)	\$15.00	

Source: Yuba-Sutter Transit

\* Monthly Pass prices temporarily reduced from \$20 and \$10 using outside grant revenues; price reductions will end on January 1, 2025.

Dial-A-Ride fares are \$3.00 per trip for eligible riders, and riders can either pay in exact change, with the appropriate number of tickets from a \$15 Ticket Sheet, or with the Connect Card. Fares are one-way and cover the eligible rider and companion as summarized in Table I-5.

**Table I-5  
Dial-A-Ride Fare Structure**

Passenger Category	Price
General Public	n/a
Senior (age 65+), Disabled & ADA Eligible Fare (w/photo I.D. Card)	\$3.00
Companion Fare (with eligible adult)	\$3.00
Youth (ages 5-18)	n/a
Children (age 4 and under)	Free
Ticket Sheets (Twenty \$0.50 tickets)	\$10.00

Source: Yuba-Sutter Transit

Fleet

There were 55 revenue vehicles in the fleet during the audit period. In addition, there were six non-revenue vehicles at the close of the audit period. This audit period saw the addition of six new revenue vehicles, to support the Dial-A-Ride service and rural routes. This included six New England Frontrunners purchased in February 2024. The majority of Yuba-Sutter Transit’s service operates with a diesel-powered fleet, with the six newly purchased Frontrunners being gasoline-powered vehicles. All revenue vehicles are equipped with wheelchair lifts in conformance with the ADA. Table I-6 shows the vehicle fleet and service type.

**Table I-6  
Yuba-Sutter Transit Fleet**

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2010	MCI D4500	1	Diesel	57 (2 W/C)
2012	MCI D4500	3	Diesel	57 (2 W/C)
2013	Gillig 35DD	6	Diesel	32 (2 W/C)
2014	Gillig 35DD	5	Diesel	32 (2 W/C)
2014	Chevy/Glaval Titan II 4500	6	Diesel	16 (2 W/C)
2018	MCI D4500	7	Diesel	57 (2 W/C)
2019	Ford/Glaval Universal	10	Gasoline	16 (2 W/C)
2019	Gillig Low Floor G27B	11	Diesel	31 (2 W/C)
2023	New England Frontrunner	6	Gasoline	23 (3 W/C)
<b>Total</b>		<b>55</b>		

Source: Yuba-Sutter Transit

Yuba-Sutter Transit operates a fleet of 22 buses for fixed-route service, 11 buses for commuter service, and 22 Dial-A-Ride and rural-route buses. In July 2021, the Yuba-Sutter Transit Board of Directors took the initiative to adopt a policy statement committing to 100 percent conversion to zero-emission buses by 2035. This policy is contingent upon the availability of sufficient funding to construct the new zero-emission transit facility, as well as financing the incremental cost of all replacement and expansion buses that may be purchased thereafter.

### Fleet Facilities

Yuba-Sutter Transit operates from a single maintenance, operations, and administration facility in Marysville. In December 2011, a \$3.3 million renovation and expansion of the facility was completed using local funds.

Yuba-Sutter Transit received a planning grant from Caltrans in 2019 to develop the Resilient Next Generation Transit Facility Plan to begin the process of replacing the existing maintenance, operations, and administration facility. A new location is needed because the facility at 2100 B Street in Marysville lacks sufficient capacity to accommodate the infrastructure needed to meet the state requirement that only zero-emission buses be purchased after 2028. In addition, Caltrans's planned widening of Highway 70 (B Street) in front of the existing facility constrains expansion. Phase 2 of the widening project is expected to resume in September 2026.

In July 2021, Yuba-Sutter Transit took a step toward the construction of the Next Generation Transit Maintenance, Operations and Administration Facility by purchasing a 19.7-acre property at 6035 Avondale Avenue in Linda. After an extensive public process and exhaustive analysis by an international planning and engineering consultant, the Yuba-Sutter Transit Board of Directors selected the top-ranked site from among 16 identified sites throughout the bi-county area.

The vacant former industrial site was purchased for \$899,900 using available state funding. Funding to design and construct the facility will come from approximately \$65 million in funding from SACOG, state grants, Federal Transit Administration (FTA) Section 5311 and 5339 grants, a \$15 million BUILD/RAISE grant won in 2022, and the sale of the old building. During the audit period, work began on an environmental review. Preliminary design and engineering have progressed since the audit period. Construction is now anticipated to commence in late 2027/early 2028. The new facility will feature solar power and generators as well as accommodate growth over the next 30-50 years.

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of Yuba-Sutter Transit’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses Caltrans’s *Performance Audit Guidebook* 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 regional transportation planning agency (RTPA) based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates:  FY 2022: January 26, 2023 FY 2023: January 25, 2024 FY 2024: January 28, 2025  <b>Conclusion: Complied.</b>
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 (December 27) or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates:  FY 2022: November 29, 2022 FY 2023: January 10, 2024 FY 2024: January 24, 2025  The FY 2023 & FY 2024 annual fiscal and compliance audits were submitted after the 90-day extension period granted by SACOG as allowed by law.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p><i>Source: FY 2022–2024 Yuba-Sutter Transit Authority - Audited Financial Statements and Compliance Reports</i></p> <p><b>Conclusion: Complied.</b></p>
<p>The California Highway Patrol (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>Through its contract operator, Storer Transportation, Yuba-Sutter Transit participates in the CHP Transit Operator Compliance Program, in which the CHP conducted inspections within the 13 months prior to each TDA claim. Inspections took place at Yuba-Sutter Transit’s operations facility located at 2100 B Street in Marysville.</p> <p>Inspection dates applicable to the audit period were December 16 &amp; 23, 2021; April 20 &amp; 21, 2022; April 19 &amp; 20, 2023; and April 16 &amp; 17, 2024.</p> <p>Inspections were found to be satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
<p>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</p>	<p>Public Utilities Code, Section 99261</p>	<p>As a condition of approval, the Authority’s annual claims for Local Transportation Funds (LTF) and State Transit Assistance (STA) are submitted in compliance with the rules and regulations adopted by SACOG.</p> <p><b>Conclusion: Complied.</b></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</p>	<p>Public Utilities Code, Section 99270.1</p>	<p>Yuba-Sutter Transit is subject to a blended 14.6 percent farebox ratio pursuant to SACOG’s regional farebox policy.</p> <p>The audited system-wide farebox ratios</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
regulations adopted by the RTPA.		<p>are as follows:</p> <p>FY 2022: 63.96%  FY 2023: 42.99%  FY 2024: 43.06%</p> <p>* AB 90 prohibits the imposition of a penalty on an operator that does not maintain the required ratio of fare revenues to operating cost during FYs 2019–20, 2020–21, and 2021–22.</p> <p>*AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19.</p> <p><i>Source: FY 2022–2024 Yuba-Sutter Transit Authority - Audited Financial Statements and Compliance Reports</i></p> <p><b>Conclusion: Complied.</b></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	Public Utilities Code, Section 99266	<p>Percentage change in Yuba-Sutter Transit’s operating budget:</p> <p>FY 2022: +4.8%  FY 2023: +6.5%  FY 2024: +0.9%</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
fixed facilities unless the operator has reasonably supported and substantiated the change(s).		<p><i>Source: Yuba-Sutter Transit Authority Operating Budgets for FY 2021-2024</i></p> <p><b>Conclusion: Complied.</b></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>A review of annual performance reports, driver trip/vault sheets and State Controller Transit Operators Financial Transactions Reports indicate overall compliance.</p> <p><b>Conclusion: Complied.</b></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%), 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%), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	<p>This requirement is not applicable, as Yuba-Sutter Transit serves both urban and rural areas subject to SACOG’s regional farebox policy.</p> <p><b>Conclusion: Not Applicable.</b></p>
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%).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>This requirement is not applicable, as Yuba-Sutter Transit serves both urban and rural areas subject to SACOG’s regional farebox policy.</p> <p><b>Conclusion: Not Applicable.</b></p>
The current cost of the operator’s retirement system is	Public Utilities Code, Section 99271	Yuba-Sutter Transit contributes to its employees’ retirement through the

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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>California Public Employees’ Retirement System, while the contract operator provides its own retirement plan. To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the agency’s retirement system is funded.</p> <p><b>Conclusion: Complied.</b></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>Yuba-Sutter Transit uses federal funds that are available to the agency, as reported in the National Transit Database (NTD) as follows:</p> <p>FY 2022: \$3,788,900 (operations)                      FY 2023: \$2,427,517 (operations)                      FY 2024: \$2,400,000 (operations)                      \$671,344 (capital)</p> <p><i>Source: Form RR-20, National Transit Database</i></p> <p><b>Conclusion: Complied.</b></p>

## Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Yuba-Sutter Transit, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to the Authority (i.e., exclusive rural and urbanized farebox recovery ratios).
2. Yuba-Sutter Transit's farebox recovery ratio remained above the required 14.6 percent standard throughout based on audited data reported in the Yuba-Sutter Transit Authority - Audited Financial Statements and Compliance Reports. The farebox recovery ratio was 63.96 percent in FY 2022; 42.99 percent in FY 2023; and 43.06 percent in FY 2024.<sup>2</sup> The average system-wide farebox recovery ratio was 50 percent during the triennial review period.
3. Through its contract operator, Yuba-Sutter Transit participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. Yuba-Sutter Transit's operating budget exhibited modest year-over-year growth. The operating budget increased by 4.8 percent in FY 2022 and 6.5 percent in FY 2023, followed by a more moderate increase of 0.9 percent in FY 2024, reflecting a general stabilization in budget growth during the latter part of the audit period.

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<sup>2</sup> AB 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21. AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19.

## Section III

### Prior Triennial Performance Recommendations

Yuba-Sutter Transit’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 Yuba-Sutter Transit’s efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Continue pursuit of marketing plans and strategies. (High priority)

*Background:* This recommendation was carried forward in the prior audit for full implementation. The prior audit suggested that Yuba-Sutter Transit management continue to improve its overall marketing effectiveness by updating the marketing plan and tying the programs and campaigns to specific strategies and tactics to ensure a consistent marketing program. The update would include budgets and timelines for each program or campaign as well as an overall marketing budget. The Authority has historically set aside less than 1 percent of the operating budget for marketing activities, which limits current marketing planning and implementation.

The updated COA/SRTP was expected to include a full marketing plan aimed at engaging riders and growing ridership. Ridership growth will be essential in a full recovery from the pandemic. It was also suggested that Yuba-Sutter Transit consider adding the 0.5 full-time equivalent (FTE) necessary to maintain social media and other marketing accounts if it can be budgeted for.

#### Actions taken by Yuba-Sutter Transit

The NextGen COA/SRTP, adopted in May 2023, included a review of existing marketing and branding practices and identified best-practice strategies to improve public awareness, image, and ridership. Based on the plan’s recommendations, the Board approved a comprehensive outreach and marketing approach to support implementation of the NextGen Transit Plan.

In May 2024, Yuba-Sutter Transit added and filled a full-time internal position dedicated to marketing and public outreach, significantly expanding in-house capacity for engagement and communications. In addition, the Authority procured the services of a qualified consulting firm to further develop and implement a multi-faceted marketing strategy consistent with the NextGen Plan.

Since adoption of the NextGen Plan, the Authority has implemented a broad set of communications and branding initiatives intended to improve visibility, support service enhancements, and increase ridership among targeted populations. Key initiatives include:

- Refresh of systemwide branding and sub-branding for new services
- Updated logo, passenger information materials, and bus stop signage
- Comprehensive website redesign and development
- Formation of a citizen and stakeholder advisory group
- Development of a public engagement calendar highlighting outreach activities, program accomplishments, technology enhancements, and capital improvements
- Targeted public speaking and “gatekeeper” outreach to community leaders, social service providers, civic organizations, and employer groups
- Advertising in print media and on transit vehicles and facilities
- Joint marketing efforts and partnerships
- Expanded and sustained social media engagement

In January 2025, the Board adopted a new Yuba-Sutter Transit logo and branding package and authorized staff to proceed with related updates to printed materials and the website. The Board also approved a capital project for the production and installation of vehicle wraps, bus stop signage, and facility signage.

### Conclusion

This recommendation has been implemented.

### Prior Recommendation 2

Research and implement new technology systems aimed at providing data analysis previously desired. (Medium priority)

*Background:* The previous audit recommended that Yuba-Sutter Transit perform data analysis using results from its newly invested technology systems such as DoubleMap. While the DoubleMap software had been implemented during the audit period, there have been some challenges related to its advertised abilities. Auto collection of data such as on-time performance is available; however, the data requires additional labor to format to the needs of the Authority and overall, it has proven challenging to use the software effectively. Yuba-Sutter Transit has continued to track performance data manually as they have not viewed the DoubleMap data as reliable. In May 2020, it was proposed and passed unanimously to terminate the computer-aided demand-response scheduling and dispatching (CAD) system of the DoubleMap contract, noting that there were multiple issues with the TapRide system including functions that were promised and not delivered. While some data from this system has proven useful and is being considered when conducting analysis of services, the new COA will look for alternatives to replace this technology.

It was recommended that Yuba-Sutter Transit follow through with its plans to look into alternatives to DoubleMap to find one that can provide accurate and reliable data. This would reduce the need for manual recording of data and thus free up resources of staff as well as provide better data analysis of services that can be used in future planning.

### Actions taken by Yuba-Sutter Transit

Following deactivation of the DoubleMap system, Yuba-Sutter Transit has continued to track operating performance data manually to ensure accuracy and consistency. In September 2024, the Authority awarded a contract to a new third-party vendor to provide CAD services. Phased implementation of the new system is currently underway, with the launch of a new microtransit service in May 2025 and integration of the remaining Dial-A-Ride and ADA services planned to go live in the near term.

In conjunction with the deployment of the demand-response CAD application, the Authority has also procured vehicle hardware and contracted with a third-party vendor to generate real-time General Transit Feed Specification-Real Time (GTFS-RT) data for fixed-route and commuter services. The GTFS-RT feed is intended to integrate with the microtransit rider application and open-source passenger-facing vehicle tracking platforms, expanding real-time information available to customers, and forming a foundation for improved performance monitoring.

Upon successful deployment and stabilization of the GTFS-RT system, staff plan to evaluate the operational feasibility and potential return on investment of additional performance-tracking and analytics modules available through existing and future technology platforms.

### Conclusion

This recommendation is in the process of implementation.

### Prior Recommendation 3

Consider new mobile fare payment options. (Medium priority)

*Background:* Beginning in 2011, Yuba-Sutter Transit joined eight other transit operators in the six-county Sacramento region and SACOG by becoming a party to, and participating actively in, a Memorandum of Understanding for the design and development of the Connect Card System. An estimated \$48,000 for Yuba-Sutter Transit's share of operating expenses for the regional Connect Card electronic fare card system was covered with state funds from the Low Carbon Transit Operations Program.

Full implementation of the Connect Card took effect on July 1, 2018, and staff has been promoting its use. Connect Card implementation saw the phaseout of paper transfers and passes. Monthly passes are now purchased with the Connect Card. Approximately 60 percent of boardings on Yuba-Sutter Transit are now executed by Connect Card. This has also sped up the boarding process, thus reducing dwell times.

While the Connect Card program has been successful, Yuba-Sutter Transit expressed concerns about its longevity as a mobile payment option. Yuba-Sutter Transit has looked into potential options, such as the Capitol Corridor Joint Powers Authority (CCJPA) Transit and Intercity Rail Capital Program Grant, for a regional contactless fare payment program to future-proof its fare

payment system. This particular program makes it possible for passengers to tap either a bank card or a smartphone to pay their fare and eventually even make a reservation pay for the whole trip in advance. It was recommended that Yuba-Sutter Transit continue to pursue this option or consider other possible grant opportunities to provide protection against the Connect Card system becoming obsolete.

#### Actions taken by Yuba-Sutter Transit

In February 2022, SACOG applied for Transit and Intercity Rail Capital Program (TIRCP) funding in partnership with the CCJPA and regional transit operators. The region was successful and was awarded approximately \$2.2 million under the California Integrated Travel Project to purchase, install, and implement contactless fare payment equipment and services across participating bus fleets. Full allocation of the award was approved by the California Transportation Commission on December 7, 2023, contingent upon execution of contracts for fare payment hardware and processing services.

SACOG is administering the funds through subrecipient agreements with participating transit operators. Yuba-Sutter Transit executed its subrecipient agreement with SACOG in May 2024 and is allocated approximately \$172,648, which is expected to fund the majority of equipment purchases and installation necessary to outfit the Authority's bus fleet. Yuba-Sutter Transit anticipates executing individual subcontracts with the selected vendor(s) for equipment procurement and system implementation in the first quarter of calendar year 2026.

Upon full deployment, Yuba-Sutter Transit will remain fully integrated with participating regional operators and will accept both open-loop (bank card and mobile wallet) and closed-loop electronic fare payments across its services, enhancing customer convenience while maintaining regional fare interoperability.

#### Conclusion

This recommendation is in the process of implementation.

#### Prior Recommendation 4

Aim to improve preventable accidents based on new reporting protocol. (Medium priority)

*Background:* Yuba-Sutter Transit has had an excellent safety record in prior audit periods when Transdev was the contracted operator. With the transition to Storer Transit as the contracted operator, there was a significant jump in accidents, and particularly accidents deemed "preventable." The driving factor in this significant jump relates to the accident reporting protocols of Storer Transit compared to Transdev. The previous contractor did not report mirror strikes, curb strikes, damages that were fixed in-house (e.g., scratches that were buffed out by the contractor's staff), and no-damage accidents. Storer treats all of these cases as accidents to get a better understanding of preventable versus non-preventable accidents and causes. Storer considers that no-cost accidents carry an administrative cost, so all no-cost accidents are a minimum value of \$250. They also treat curb strikes (rubbing the sidewall of a tire on the

sidewalk) as an accident, since the driver hit a fixed object and the bus requires inspection at a minimum. The goal of this stricter protocol is to change driver habits to meet the expectations Storer has for its drivers. An Agency Safety Plan was written in November 2020, which should help alleviate these issues.

Given that the drivers have had time under Storer management and have had a chance to understand these new expectations, it was recommended that Yuba-Sutter Transit and Storer work to decrease the number of preventable accidents occurring each year. While safety and driving incentive awards are available for drivers, other incentives or penalties should be considered to reduce the rate of preventable accidents.

#### Actions taken by Yuba-Sutter Transit

Since implementation of the revised accident reporting protocols and contractor transition, Yuba-Sutter Transit and Storer have taken proactive steps to improve safety performance and reduce preventable accidents. Drivers have been subject to consistent expectations and oversight under Storer’s management, with a focus on corrective training and continuous improvement.

Preventable accidents trigger individualized refresher training to address specific driving behaviors and reduce the likelihood of recurrence. All accidents and incidents are reviewed during monthly safety meetings, and relevant onboard video footage is shared with drivers as part of ongoing safety education. Storer also issues safety memoranda highlighting adverse conditions, trends, or operational points of emphasis, which are reviewed with staff and posted in employee areas as appropriate.

In addition, accidents are reviewed on a quarterly basis to evaluate trends and determine whether additional preventive measures, policy changes, or training initiatives are warranted. Safety and driving incentive awards remain available to reinforce positive performance, while safety deficiencies are addressed promptly through management interventions, including disciplinary actions up to and including suspension or termination when warranted.

Since the last audit, the Authority has developed and formally adopted an Agency Safety Plan (ASP) in accordance with applicable federal regulations. The ASP is reviewed and updated at least annually in coordination with Storer management, and safety mitigation strategies are adjusted as needed to respond to identified performance deficiencies.

#### Conclusion

This recommendation has been implemented.

## Section IV

### TDA Performance Indicators

This section reviews Yuba-Sutter Transit’s performance 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. Systemwide cost and revenues are from audited financial statements; modal figures are unaudited. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the performance indicators for Yuba-Sutter Transit system-wide, fixed route/commuter, and Dial-A-Ride. Graphs are also provided to depict the trends in the indicators.

**Table IV-1  
Yuba-Sutter Transit TDA Performance Indicators  
System-Wide**

Performance Data and Indicators	Base Year FY 2021	Audit Period			% Change FY 2021- 2024
		FY 2022	FY 2023	FY 2024	
Operating Cost <sup>1</sup>	\$7,542,655	\$7,379,114	\$8,197,079	\$8,563,400	<b>13.5%</b>
Total Passengers	347,891	451,276	513,376	573,966	<b>65.0%</b>
Vehicle Service Hours	68,565	69,195	66,314	68,007	<b>-0.8%</b>
Vehicle Service Miles	983,276	978,518	975,959	967,534	<b>-1.6%</b>
Employee FTEs	78	75	72	76	<b>-2.6%</b>
Passenger Fares	\$535,972	\$762,956	\$811,006	\$917,142	<b>71.1%</b>
Local Funds Support	\$139,216	\$3,956,451	\$2,713,257	\$2,769,992	<b>1889.7%</b>
Operating Cost per Passenger	\$21.68	\$16.35	\$15.97	\$14.92	<b>-31.2%</b>
Operating Cost per Vehicle Service Hour	\$110.01	\$106.64	\$123.61	\$125.92	<b>14.5%</b>
Operating Cost per Vehicle Service Mile	\$7.67	\$7.54	\$8.40	\$8.85	<b>15.4%</b>
Passengers per Vehicle Service Hour	5.1	6.5	7.7	8.4	<b>66.3%</b>
Passengers per Vehicle Service Mile	0.35	0.46	0.53	0.59	<b>67.7%</b>
Vehicle Service Hours per Employee	879.0	922.6	921.0	894.8	<b>1.8%</b>
Average Fare per Passenger	\$1.54	\$1.69	\$1.58	\$1.60	<b>3.7%</b>
Fare Recovery Ratio	7.11%	10.34%	9.89%	10.71%	<b>50.7%</b>
Fare Recovery Ratio with Local Funds Support	8.95%	63.96%	42.99%	43.06%	<b>381.0%</b>
Consumer Price Index - (CPI-CA)	6.6%	9.9%	0.6%	2.6%	

Source: Annual Fiscal and Compliance Audits, National Transit Database, Transit Operator Financial Transactions Report

<sup>1</sup> System-wide audited operating costs exclude depreciation and expense exemptions per PUC 99268.8 and 99268.16

**Table IV-2**  
**Yuba-Sutter Transit TDA Performance Indicators**  
**Fixed Route and Commuter**

Performance Data and Indicators	Base Year FY 2021	Audit Period			% Change FY 2021- 2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$5,676,925	\$5,880,004	\$6,071,471	\$6,131,295	<b>8.0%</b>
Total Passengers	327,521	419,208	481,120	538,342	<b>64.4%</b>
Vehicle Service Hours	52,063	49,140	48,812	48,257	<b>-7.3%</b>
Vehicle Service Miles	809,331	772,073	764,016	742,858	<b>-8.2%</b>
Employee FTEs	52	50	47	50	<b>-3.8%</b>
Passenger Fares	\$453,229	\$681,411	\$716,158	\$809,632	<b>78.6%</b>
Operating Cost per Passenger	\$17.33	\$14.03	\$12.62	\$11.39	<b>-34.3%</b>
Operating Cost per Vehicle Service Hour	\$109.04	\$119.66	\$124.38	\$127.06	<b>16.5%</b>
Operating Cost per Vehicle Service Mile	\$7.01	\$7.62	\$7.95	\$8.25	<b>17.7%</b>
Passengers per Vehicle Service Hour	6.3	8.5	9.9	11.2	<b>77.3%</b>
Passengers per Vehicle Service Mile	0.40	0.54	0.63	0.72	<b>79.1%</b>
Vehicle Service Hours per Employee	1,001.2	982.8	1,038.6	965.1	<b>-3.6%</b>
Average Fare per Passenger	\$1.38	\$1.63	\$1.49	\$1.50	<b>8.7%</b>
Fare Recovery Ratio	7.98%	11.59%	11.80%	13.20%	<b>65.4%</b>
Consumer Price Index - (CPI-CA)	6.6%	9.9%	0.6%	2.6%	

Source: National Transit Database, Transit Operator Financial Transactions Report for FTEs

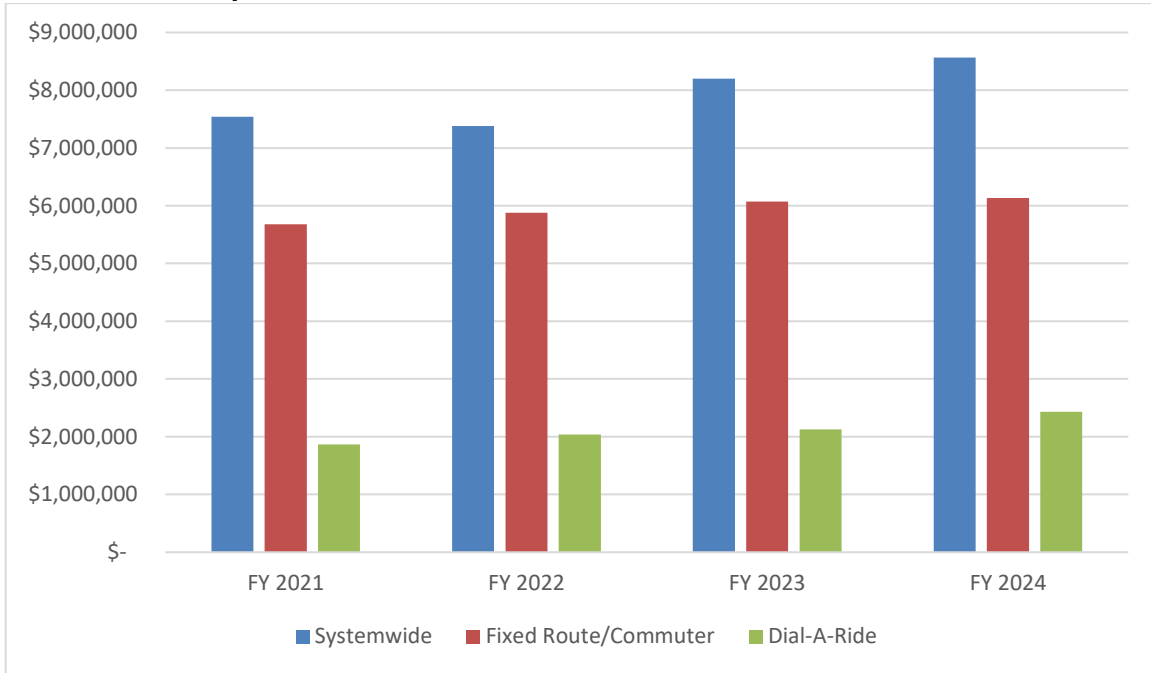
<sup>1</sup> Percentages are based on the data inputs in the table and do not reflect the rounding of the performance indicators.

**Table IV-3**  
**Yuba-Sutter Transit TDA Performance Indicators**  
**Dial-A-Ride**

Performance Data and Indicators	Base Year FY 2021	Audit Period			% Change FY 2021- 2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$1,865,730	\$2,039,957	\$2,125,604	\$2,432,105	<b>30.4%</b>
Total Passengers	20,370	32,068	32,256	35,624	<b>74.9%</b>
Vehicle Service Hours	16,502	20,055	17,502	19,750	<b>19.7%</b>
Vehicle Service Miles	173,945	206,445	211,943	224,676	<b>29.2%</b>
Employee FTEs	26	25	25	26	<b>0.0%</b>
Passenger Fares	\$115,585	\$116,177	\$137,138	\$151,794	<b>31.3%</b>
Operating Cost per Passenger	\$91.59	\$63.61	\$65.90	\$68.27	<b>-25.5%</b>
Operating Cost per Vehicle Service Hour	\$113.06	\$101.72	\$121.45	\$123.14	<b>8.9%</b>
Operating Cost per Vehicle Service Mile	\$10.73	\$9.88	\$10.03	\$10.82	<b>0.9%</b>
Passengers per Vehicle Service Hour	1.2	1.6	1.8	1.8	<b>46.1%</b>
Passengers per Vehicle Service Mile	0.12	0.16	0.15	0.16	<b>35.4%</b>
Vehicle Service Hours per Employee	634.7	802.2	700.1	759.6	<b>19.7%</b>
Average Fare per Passenger	\$5.67	\$3.62	\$4.25	\$4.26	<b>-24.9%</b>
Fare Recovery Ratio	6.20%	5.70%	6.45%	6.24%	<b>0.7%</b>
Consumer Price Index - (CPI-CA)	6.6%	9.9%	0.6%	2.6%	

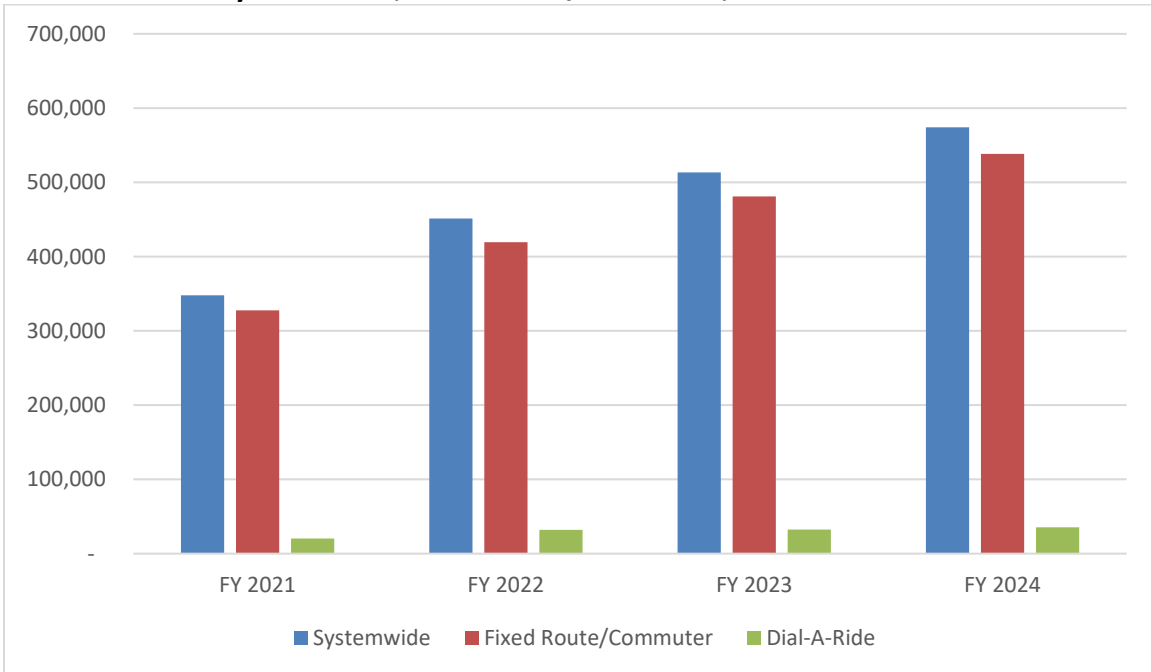
Source: National Transit Database, Transit Operator Financial Transactions Report for FTEs

**Graph IV-1  
Operating Costs  
System-Wide, Fixed Route/Commuter, and Dial-A-Ride**

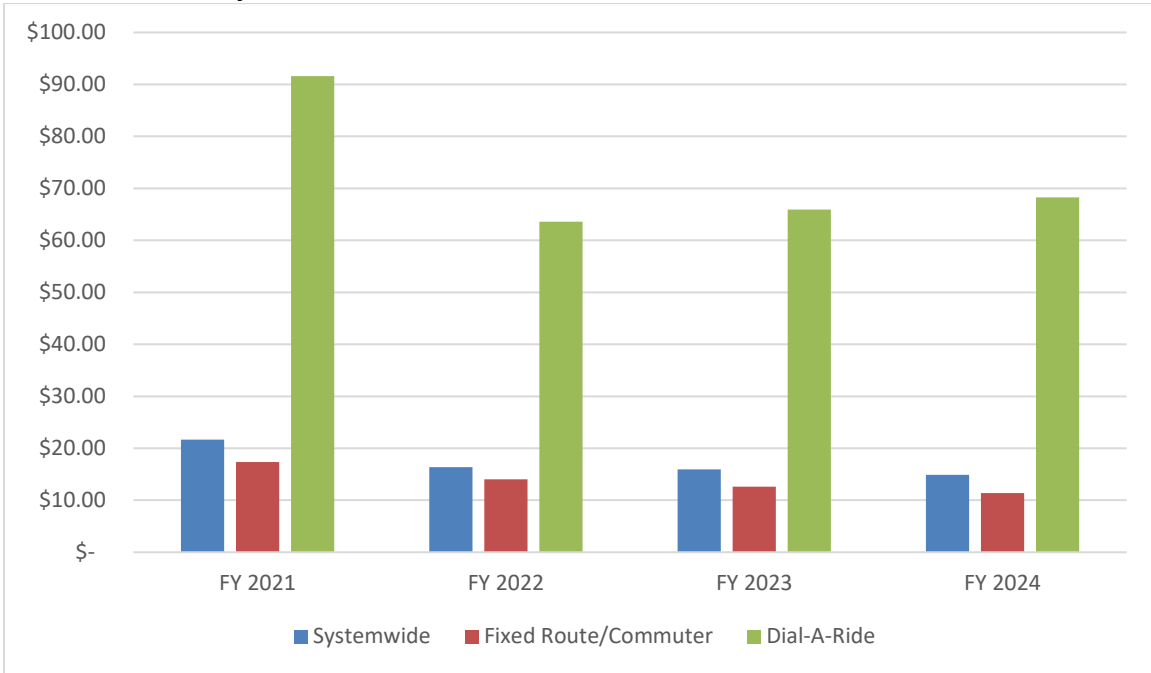


Note: System-wide cost is audited data; modal cost is unaudited.

**Graph IV-2  
Ridership  
System-Wide, Fixed Route/Commuter, and Dial-A-Ride**

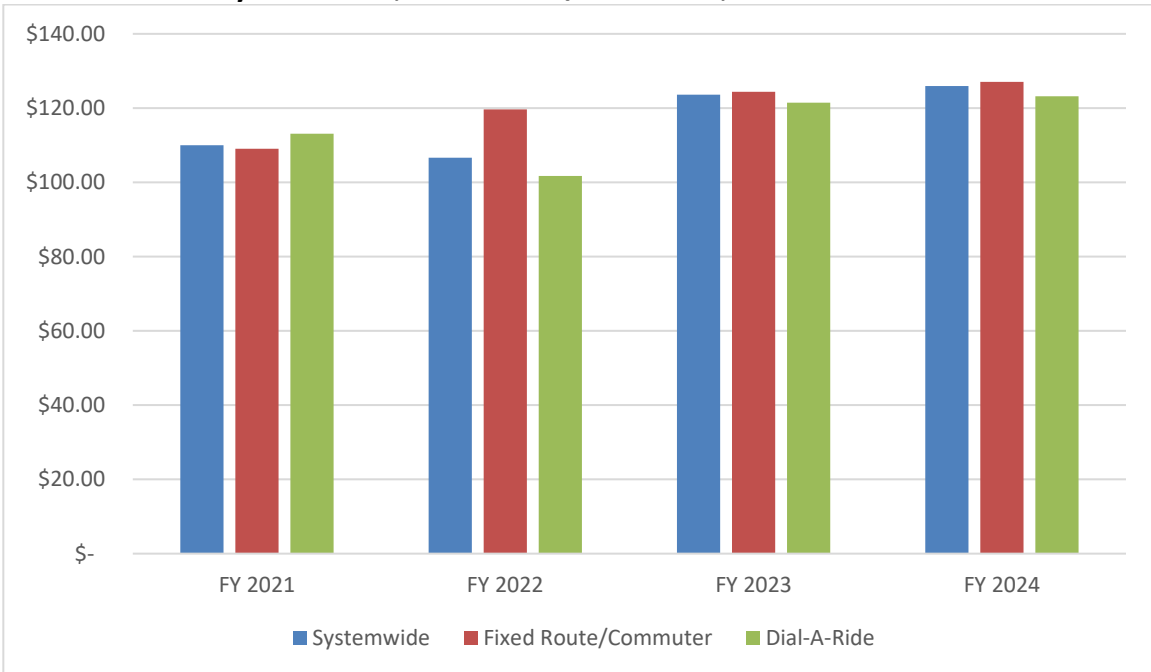


**Graph IV-3**  
**Operating Cost per Passenger**  
**System-Wide, Fixed Route/Commuter, and Dial-A-Ride**



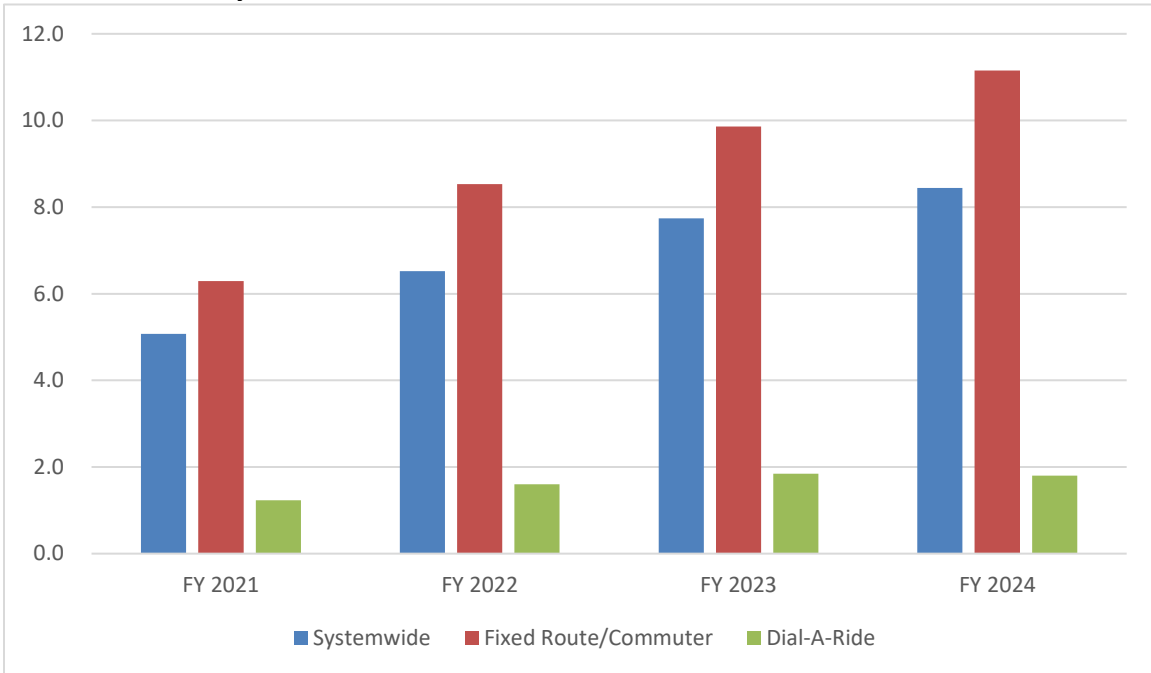
Note: System-wide cost is audited data; modal cost is unaudited.

**Graph IV-4**  
**Operating Cost per Vehicle Service Hour**  
**System-Wide, Fixed Route/Commuter, and Dial-A-Ride**

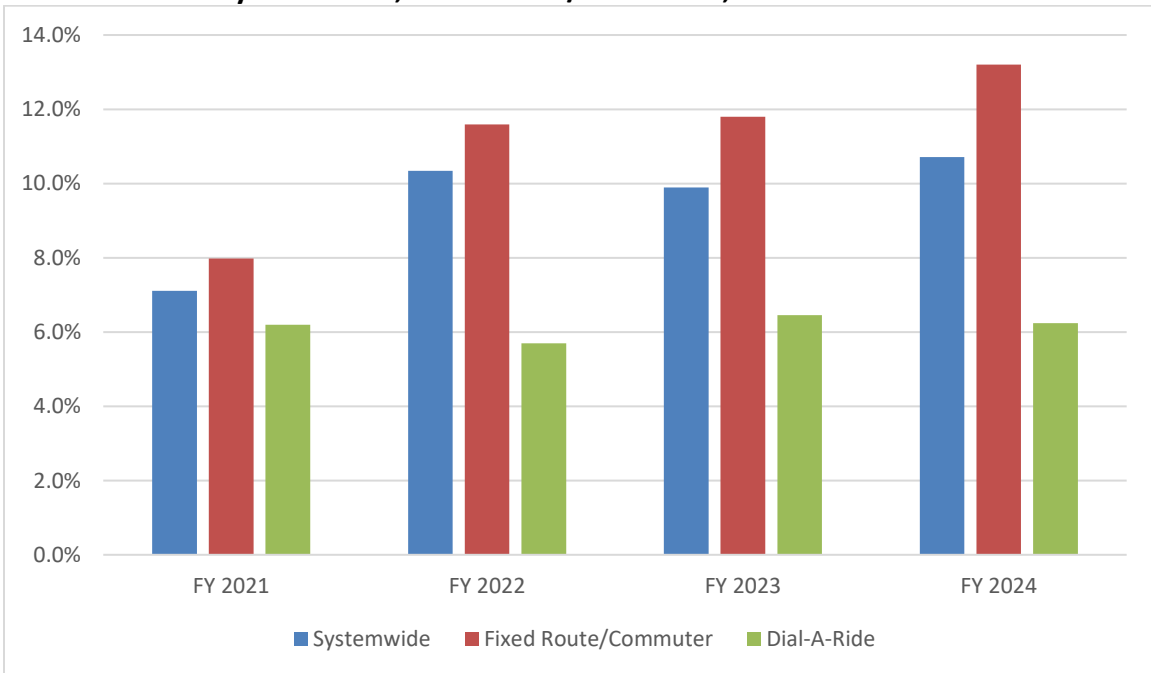


Note: System-wide cost is audited data; modal cost is unaudited.

**Graph IV-5**  
**Passengers per Vehicle Service Hour**  
**System-Wide, Fixed Route/Commuter, and Dial-A-Ride**

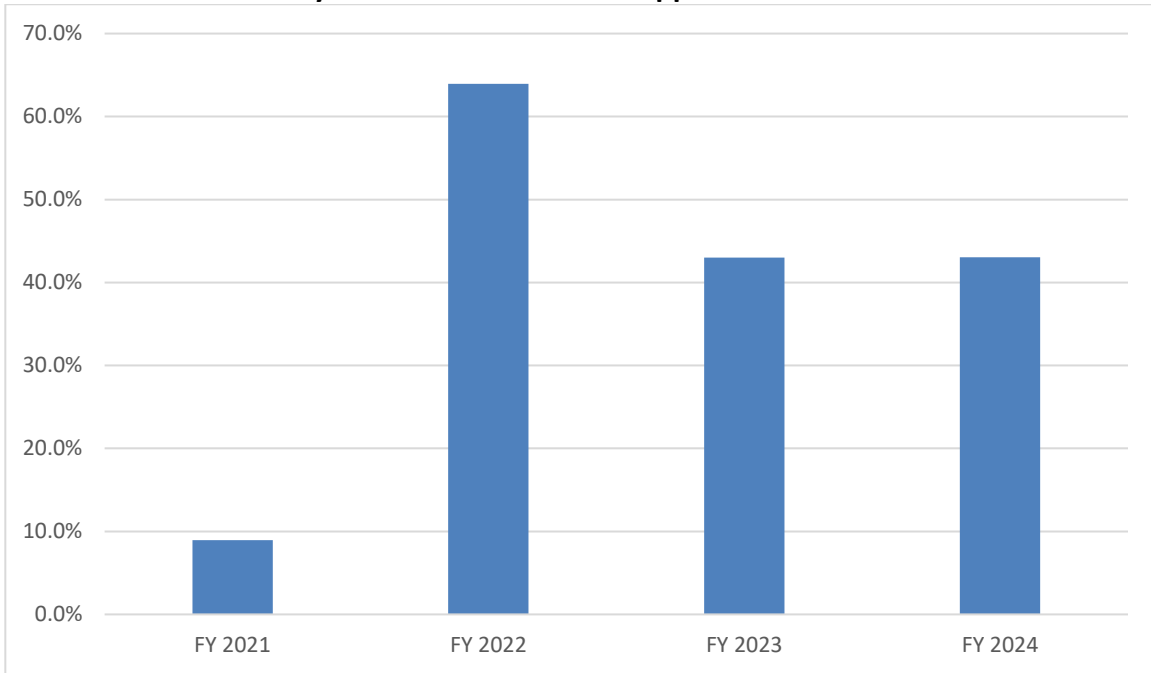


**Graph IV-6**  
**Fare Recovery Ratio**  
**System-Wide, Fixed Route/Commuter, and Dial-A-Ride**



*Note: System-wide cost and fare revenue are audited data; modal cost and fares are unaudited.*

**Graph IV-7**  
**Fare Recovery Ratio**  
**System-Wide with Local Support Revenues**



## Findings from Verification of TDA Performance Indicators

1. Operating costs increased 13.5 percent system-wide from the FY 2021 base year to FY 2024 using audited operating cost data. Fixed route and commuter operating costs increased by 8.0 percent, while Dial-A-Ride operating costs increased by 30.4 percent using unaudited modal data. On an average annual basis, system-wide operating costs increased by 4.5 percent, with the largest year-over-year increase of 11.1 percent occurring in FY 2023, reflecting inflationary pressures and service stabilization following the pandemic.
2. Ridership increased 65.0 percent system-wide, from 347,891 passenger trips in FY 2021 to 573,966 trips in FY 2024. Fixed route and commuter ridership increased by 64.4 percent, while Dial-A-Ride ridership increased by 74.9 percent, generally mirroring the system-wide recovery trend. Despite these gains, total ridership remains below pre-pandemic levels. Ridership declined from 931,948 trips in FY 2019 to 347,891 trips in FY 2021, representing a 66 percent reduction. By FY 2024, ridership had recovered to 61.6 percent of pre-pandemic levels, largely driven by fixed route and commuter services, which recovered to 62.2 percent of FY 2019 ridership.
3. Vehicle service hours and miles decreased slightly on a system-wide basis over the audit period, declining 0.8 percent and 1.6 percent, respectively. At the modal level, fixed route and commuter service hours declined by 7.3 percent, and service miles declined by 8.2 percent, reflecting reduced commuter frequencies. In contrast, Dial-A-Ride service hours increased by 19.7 percent and service miles increased by 29.2 percent, consistent with increased demand for demand-response services.
4. Operating cost per passenger, a key indicator of cost effectiveness, decreased 31.2 percent system-wide, from \$21.68 in FY 2021 to \$14.92 in FY 2024. Operating cost per passenger declined 34.3 percent for fixed route and commuter services and 25.5 percent for Dial-A-Ride. These improvements reflect substantial ridership gains as pandemic-related travel restrictions eased, while operating costs increased more gradually.
5. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 14.5 percent system-wide, from \$110.01 in FY 2021 to \$125.92 in FY 2024. This indicator increased 16.5 percent for fixed route and commuter services and 8.9 percent for Dial-A-Ride, largely attributable to inflation, labor cost growth, and changes in service delivery.
6. Vehicle service hours per FTE employee, a measure of labor productivity, increased 1.8 percent system-wide from FY 2021 to FY 2024. This indicator declined 3.6 percent for fixed route and commuter services and increased 19.7 percent for Dial-A-Ride. Total employee staffing decreased from 78 FTEs in FY 2021 to 76 FTEs in FY 2024, a 2.6 percent reduction, based on employee pay hours reported to the State Controller and standardized at 2,000 hours per FTE.

7. Farebox recovery, including local funds, exceeded the required 14.6 percent TDA performance standard throughout the audit period. Farebox recovery excluding local support remained below the standard. For the audit period, the farebox recovery ratio (including passenger fares and local funds) was 63.96 percent in FY 2022, 42.99 percent in FY 2023, and 43.06 percent in FY 2024, averaging 50.00 percent system-wide over the triennial review period. In accordance with AB 90, transit operators were held harmless for pandemic-related ridership and revenue losses during this period. Systemwide farebox ratios are based on audited TDA fiscal data.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions within Yuba-Sutter Transit. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the Yuba-Sutter Transit Authority's administrative offices in Marysville:

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

#### Operations

Yuba-Sutter Transit Authority's operations during the audit period were strongly influenced by post-pandemic recovery efforts, a leadership transition, major capital planning initiatives, and evolving service delivery strategies. The audit period also coincided with the Authority's 50th year of public transit operations, marking a significant organizational milestone. The Authority experienced a change in executive leadership when a new executive director assumed the position in July 2023 following the retirement of a long-tenured predecessor; no other senior leadership changes occurred during the audit period. Operations and maintenance services continue to be fully contracted to Storer Transit Systems, a Modesto-based transportation services firm that has served as the Authority's contractor since 2019. There have been two General Managers who have overseen local operations since the start of the contract.

Yuba-Sutter Transit's operational philosophy is summarized in its Mission Statement:

*To provide safe and cost-effective public transportation services that increase mobility and improve the quality of life for Yuba and Sutter County residents.*

In addition, the Authority's Guiding Principles involve striving *to meet or exceed community expectations by:*

1. *Operating a safe, reliable, and comfortable quality of service;*
2. *Providing an effective and efficient level of service in response to demonstrated community needs; and*

3. *Enhancing quality of life through improved mobility.*

To this end, Yuba-Sutter Transit operates a multimodal public transportation system that includes local fixed-route, commuter, rural, and demand-response services across a unique service area comprised of two adjoining county seats—Marysville and Yuba City—and surrounding unincorporated and rural communities. The Authority’s local fixed-route network is largely oriented toward serving transit-dependent riders, including students, seniors, persons with disabilities, and residents without access to private vehicles.

Several local routes are structured to support educational and workforce access. Routes 1, 3, and 6 are timed to coincide with class schedules at Yuba College in Linda, where these routes terminate, while other local routes are scheduled to facilitate transfers with these services. Additional routes are coordinated to serve major activity centers, including Yuba City, Marysville, and River Valley High Schools, consistent with community travel demand patterns. Subsequent to the audit period, the Authority extended evening service hours on select local routes to improve access for late-day educational, employment, and community travel.

Operational adjustments during the audit period included reductions to commuter bus service and frequency reductions on certain local routes to better align service levels with demand. The Authority also increased monthly pass fares for local services after the audit period in January 2025. Following the state of California’s lifting of COVID-19 stay-at-home orders in June 2021, Yuba-Sutter Transit eliminated on-board passenger capacity restrictions, removed blocked seating, and restored full passenger capacity on all buses. As part of broader service adjustments to reflect sustained changes in travel behavior, the Route 1 Express service was discontinued effective June 30, 2021, and subsequent service level modifications—including reduced commuter frequencies and adjustments to local routes—remained in place throughout the audit period.

While ridership has recovered steadily since the pandemic, it has not yet returned to pre-pandemic levels. By the end of FY 2024, systemwide ridership had recovered to approximately 65 percent of FY 2019 levels, with fixed-route and commuter services accounting for the majority of returning trips. Sacramento commuter services, in particular, continued to show steady improvement. While ridership growth was notable, service levels remained moderated to reflect long-term changes in travel behavior.

In addition to its core urban services, Yuba-Sutter Transit provides contracted rural services to communities that are not members of the Joint Powers Authority. Service to Live Oak operates as a combined fixed-route and demand-response service with two weekday round trips, while service to Wheatland is also provided as a combined service with one weekday round trip. The Foothill Route operates two round trips each Tuesday, Wednesday, and Thursday, connecting the community of Brownsville with Marysville and serving designated intermediate stops. These services ensure a minimum level of mobility for rural residents and maintain regional connectivity.

Performance trends were also shaped by construction-related external factors, most notably the

State Route 70 widening project adjacent to the Authority's existing operations facility in north Marysville. Caltrans is currently advancing Phase 2 of construction, following extensive underground drainage work completed during Phase 1. Construction activities required Caltrans to obtain temporary construction easements over portions of the Authority's property, temporarily displacing parking and reducing usable yard space. While north yard access has since been restored, Phase 2 construction—including relocation of railroad tracks—will again require use of approximately half of the property. During this phase, heavy-duty fleet operations will be shifted to a leased, off-site facility, creating operational complexity and logistical challenges.

Routes serving areas near the Yuba County Airport and the former Coca-Cola site also experienced increased interaction with heavy-duty vehicles due to construction and industrial activity, contributing to operating challenges beyond the Authority's control.

One of the Authority's most significant accomplishments during the audit period was advancement of its replacement operations and maintenance facility. On July 23, 2021, the Authority closed escrow on a 19.72-acre parcel of land at 6035 Avondale Avenue in Linda, California, for a new transit operations, maintenance, and administration facility, tapping into its STA funds balance of \$903,377 (the site was purchased for \$899,900). The new Next Generation Zero-Emission Bus Operations, Maintenance, and Administration Facility Project will replace the existing transit facility and support a zero-emission public bus fleet conversion and future service expansion in the Yuba-Sutter bi-county area.

The site also has sufficient space for solar power generation to meet the project's energy needs and/or for other future co-developments. These could include a mobility hub that could support multiple transportation modes, such as shared vehicles, vehicle charging, and bike or scooter sharing. The preliminary cost estimate for final project facility design, environmental assessment, construction, and battery electric bus infrastructure is approximately \$65 million. This estimate includes all items needed to move into the facility and operate electric buses. As additional electric buses are purchased, additional chargers will be installed. The Authority intends to fund the project with a mix of federal, state, and local funds and has begun applying for funds at all levels. The Authority initiated environmental review, selecting a Categorical Exclusion (CE) pathway. The Authority entered preliminary engineering and design phases and retained AECOM to provide professional services. The Authority has not undertaken major upgrades at the existing facility during the audit period, focusing instead on long-term replacement planning.

To support the new facility and fleet modernization, Yuba-Sutter Transit aggressively pursued external funding and secured approximately \$65 million in total grant funding, including \$12.7 million in FTA Section 5339 discretionary funds, \$15 million in federal BUILD/RAISE funding awarded in 2022, approximately \$13 million from State TIRCP Cycle 6, and \$10.2 million in Senate Bill (SB) 125 funds administered through SACOG. The Authority also anticipates generating \$3–4 million from the future sale of its existing facility and continues to receive federal formula funding under FTA Sections 5307 and 5311.

From a planning perspective, the Authority developed and adopted the NextGen Transit Plan in May 2023, which serves as both a COA and SRTP. The Plan included bold recommendations, such

as replacing certain fixed-route services with microtransit and expanding service to new markets. As ridership recovery exceeded initial projections, Yuba-Sutter Transit elected not to fully implement the fixed-route replacement concepts during the audit period, instead prioritizing service stability.

Administratively, the Authority added a program analyst position, bringing total administrative staffing to six full-time employees, and fully discontinued its prior role supporting the Regional Waste Management Authority. A systemwide branding refresh and expanded public outreach efforts were also completed to support modernization and the potential rollout of NextGen service concepts. Fleet acquisitions during the audit period included six low-floor cutaway vehicles. The Authority also sold two over-the-road Motor Coach Industries (MCI) commuter coaches to Redding Area Bus Authority.

The Authority has begun preliminary exploration of alternative fuel and energy concepts, including microgrid capability, hydrogen fuel potential, and solar integration as part of the new facility development. While still in early conceptual stages, these initiatives are identified as long-term goals and are being evaluated as part of broader facility planning.

Operational technology evolved during the audit period. The Authority discontinued the DoubleMap platform due to reliability and vendor support issues and subsequently reinstated a CAD-Automatic Vehicle Location (AVL) system following the audit period. A public-facing AVL system is available to riders. For microtransit services, the Authority initiated an 18-month pilot with Via, providing dispatching and rider application services. Fixed-route operations do not yet utilize tablets; however, tablets have been introduced for on-demand services.

The Driver Vehicle Inspection Report (DVIR) process remains manual, with inspection books maintained onboard each vehicle using a duplicate copy system. Reports are turned in to maintenance staff and reviewed by assigned management personnel. Fare media types continue to be manually recorded. On-time performance is monitored through management ride-alongs totaling approximately 15 hours per month, supplemented by supervisory oversight.

Farebox revenue collection and management appears appropriate for the size and scope of Yuba-Sutter Transit's operations. All vehicles are equipped with Diamond fareboxes and secure vaults. Cash fares are deposited into locked vaults on board vehicles and are subsequently removed by supervisory staff. Vaults are pulled twice weekly, on Tuesdays and Thursdays, with fares counted the following business day.

Vaults are stored in a secure, locked counter room prior to counting. While the room is visible from adjacent areas through windows on two sides, it is camera-equipped and access is restricted. Cash counting is performed in an open but monitored area by at least two employees, consistent with internal control practices. Cash fares are counted twice per week, sorted by denomination, and deposited directly into the Authority's bank account. Deposit slips are prepared and submitted with each deposit, and the bank provides reconciliation information and notifies the Authority of any discrepancies. Collected fare revenues are periodically reconciled to driver reports.

Yuba-Sutter Transit uses a closed-loop electronic fare system. Approximately 65 to 75 percent of fare revenues are collected through electronic fare media, primarily via the Connect Card, reflecting a predominantly cashless fare environment. Monthly pass fares were increased in January 2025, including passes eligible for use on the Authority’s microtransit services. The Authority reported continued monitoring of fare structure and revenue composition as ridership and fare media utilization evolve post-pandemic. Regular monitoring will support data-informed adjustments to fare policies and technologies while balancing customer convenience and revenue performance. It is recommended that the Authority continue to periodically review fare policies and fare media performance to ensure alignment with ridership trends, revenue objectives, and service delivery models, including microtransit.

Dispatch protocol involves the driver checking in with dispatch at the start of the run. If running late, the driver will call in every 5 to 10 minutes. Revenue hours are recorded on an exceptions basis in which scheduled bus hours are adjusted for delays and other incidents. Drivers are assigned Motorola digital radios equipped with GPS transponders. This feature allows dispatch to track the vehicle’s location and records historical data. Road supervisors will sample trips to gauge on-time performance. Passenger feedback is another tool that the Authority uses to monitor punctuality, although anecdotally. Local road construction projects have exacerbated traffic congestion, which impacts schedule adherence; however, lower ridership has counteracted this.

Customer complaints are accepted in person, by phone, and by email. Complaint handling is coordinated internally, with the Authority reviewing each complaint and assigning it to the appropriate staff member, department, or contractor representative for investigation and response. When appropriate, complaints are referred to operations or maintenance for follow-up. The Authority works collaboratively with its operations contractor to investigate and resolve complaints in a timely manner, and complaint records are maintained to support accountability and identify opportunities for service quality improvements. Complaints and compliments reported during the audit period are summarized in Table V-1.

**Table V-1**  
**Complaints and Compliments**

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Complaints</b>	70	36	40	53
<b>Compliments</b>	29	41	7	11

Source: Yuba-Sutter Transit -Storer Transit Systems Monthly Reports

During the audit period, customer complaints increased from 36 in FY 2022 to 40 in FY 2023, followed by a more notable increase to 53 complaints in FY 2024. Compliments declined substantially between FY 2022 and FY 2023 and increased modestly in FY 2024, though remaining below FY 2022 levels. Overall, complaint activity trended upward over the audit period, while compliments fluctuated year to year.

To support resolution and ensure accuracy in complaint investigations, Yuba-Sutter Transit

routinely uses on-board camera footage, GPS data, and time-stamp records. This approach allows the Authority and its operating contractor to verify incidents, improve customer communication, and identify potential corrective actions related to operations, safety, or customer service.

Safety performance remains a key operational metric for Yuba-Sutter Transit. Preventable accident rates were reported to average approximately 5 to 7 percent per month, which management considers consistent with industry norms. On-board camera systems continue to be used primarily to support incident investigation and driver exoneration rather than discipline, contributing to staff acceptance of monitoring technology.

Yuba-Sutter Transit tracks both preventable and non-preventable accidents. Consistent with guidance from the Federal Motor Carrier Safety Administration, a preventable accident is defined as an occurrence in which the driver failed to act in a reasonably expected manner to avoid the event, while a non-preventable accident is one in which all reasonable actions were taken and the incident still occurred. Accidents and incidents reported during the audit period are summarized in Table V-2.

**Table V-2**  
**Accidents and Incidents**

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Accidents</b>	32	39	35	39
<b>Incidents</b>	124	84	66	53

Source: Yuba-Sutter Transit-Storer Transit Systems Monthly Reports

During the audit period, the number of reported accidents remained relatively stable, ranging from 35 to 39 accidents annually. Incidents declined steadily over the same period, decreasing from 84 in FY 2022 to 53 in FY 2024, indicating improvement in overall safety-related events that do not meet the definition of an accident.

The majority of accidents reported during the audit period were classified as preventable, reinforcing the importance of continued driver training, coaching, and monitoring efforts. Drivers involved in accidents are subject to a formal review and retraining protocol, including receipt of written documentation outlining the incident, expected corrective actions, and retraining requirements where applicable.

Yuba-Sutter Transit maintains compliance with NTD accident reporting thresholds, which require reporting when an incident involves a fatality, injuries requiring immediate off-site medical attention, significant property damage, or evacuations for life-safety reasons.

The Authority adopted an Agency Safety Plan in November 2020, which was subsequently updated in June 2025. Continued implementation of the Safety Plan, combined with ongoing collaboration between Yuba-Sutter Transit and its operating contractor, is expected to support further reductions in preventable accidents and reinforce a systemwide safety culture.

## Dial-A-Ride Operations

Yuba-Sutter Transit provides complementary paratransit service in compliance with the ADA through its Dial-A-Ride program. Dial-A-Ride operates as both the Authority's ADA paratransit service for eligible individuals and a general public demand-response service during designated service periods. ADA paratransit service is provided within the required 0.75-mile corridor of the fixed-route system and during the same days and hours as corresponding fixed-route service, consistent with federal ADA regulations.

The Dial-A-Ride service offers door-to-door, shared-ride transportation to certified ADA-eligible passengers who are unable to use the fixed-route system due to a qualifying disability. Reservations are accepted in advance, and trip requests are scheduled based on vehicle availability, geographic grouping, and operating efficiency. The Authority continues to monitor key ADA performance metrics, including on-time performance, trip denials, no-shows, and cancellations.

During the audit period, Dial-A-Ride service experienced strong ridership growth, reflecting both pandemic recovery and increased demand for flexible, curb-to-curb transportation among seniors and persons with disabilities. Dial-A-Ride ridership increased by approximately 75 percent from the FY 2021 base year to FY 2024, while service hours and miles also increased to accommodate demand. Despite higher operating costs compared to fixed-route service, Dial-A-Ride productivity and cost-per-passenger indicators improved over the audit period as ridership rebounded.

Yuba-Sutter Transit's Dial-A-Ride service is provided using fully accessible vehicles operated by trained drivers under contract with Storer Transit Systems. Drivers receive specialized classroom and behind-the-wheel training that include ADA procedures, sensitivity training, securement of mobility devices, and passenger assistance techniques. Vehicles are equipped with lifts or ramps, securement systems, and other accessibility features required under federal regulations.

The Authority has taken steps to modernize ADA service delivery and customer access. Dial-A-Ride and ADA services are being supported by upgraded dispatching technology, including a CAD platform and an on-demand microtransit pilot using Via, which offers customer-facing mobile application features for trip booking and real-time information. While fixed-route operations do not yet rely on tablet-based systems, tablets have been introduced for on-demand and demand-response services, improving communication between drivers and dispatch.

Fare policies for ADA paratransit service comply with federal requirements, with ADA fares not exceeding twice the applicable fixed-route fare for comparable trips. The Authority continues to accept a variety of fare media, including the Connect Card, and is participating in regionally coordinated efforts to transition to contactless, open-loop fare payment systems in the future.

Overall, Yuba-Sutter Transit's ADA services were found to be integrated with system operations, responsive to community needs, and consistent with ADA complementary paratransit service standards during the audit period.

Yuba-Sutter Transit maintains an internal database of ADA-certified paratransit riders, with eligibility determined through an application and certification process and recertification conducted every five years. The agency does not publicly report the total number of registered ADA passengers.

ADA passengers have made up a relatively small portion of Dial-A-Ride ridership; however, Yuba-Sutter Transit has begun to advertise its ADA service more heavily. Additionally, the service area has seen an influx of new residents who come from areas where ADA services were provided, and demand has seen an increase. No-show occurrences are summarized in Table V-3 below:

**Table V-3**  
**Dial-A-Ride No-Shows and Wheelchair Denials**

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>No-Shows</b>	839	830	654	1,028
<b>Wheelchair Denials</b>	30	31	14	19

Source: Yuba-Sutter Transit-Storer Transit Systems Monthly Reports

During the audit period, the number of Dial-A-Ride no-shows declined from 830 in FY 2022 to 654 in FY 2023, followed by an increase to 1,028 in FY 2024. Wheelchair denials followed a similar pattern, decreasing from 31 in FY 2022 to 14 in FY 2023, before increasing modestly to 19 in FY 2024. Despite the increase in FY 2024, wheelchair denials remained relatively low overall during the audit period.

Yuba-Sutter Transit does not maintain a formal no-show policy. However, when repeated no-shows occur, riders are contacted to confirm whether they intend to continue using the service. For riders participating in subscription service, repeated no-shows may result in cancellation of the subscription, requiring the rider to call in to schedule future trips. The agency also provides rider education and marketing materials explaining the impacts of no-shows on service efficiency and outlining procedures for canceling trips in advance.

### Personnel

The Authority has contracted since October 1, 2019, with Storer Transit Systems for its operations and maintenance personnel. Storer Transit employed approximately 74 full-time contract staff, all of whom are full-time employees with no part-time or extra-board positions. Contractor staffing includes 54 drivers and 10 mechanics and utility personnel, with the remaining personnel serving as dispatchers, supervisors, safety officers, and office managers. The operation is non-unionized. Average employee experience is approximately 9.0 to 9.4 years, and the annual turnover rate during the audit period was approximately 7 percent, which management considers low for the industry.

Recruitment efforts use multiple platforms, including Indeed, EDD-CalJobs, job fairs, community college outreach, and the Storer Transit website. The Authority benefited from availability of experienced truck drivers due to regional freight market slowdowns. While turnover has

remained low, management noted challenges related to wage competitiveness, with some staff expressing concern that contract rates have not fully kept pace with inflation.

Training and recruitment practices during the audit period reflected Storer Transit Systems' standardized qualification and onboarding requirements for transit operations. Driver applicants are required to be at least 21 years of age, possess a clean driving record, and successfully pass a Department of Justice background check, Department of Transportation (DOT) physical examination, and pre-employment drug screening. All operators are required to work weekends and holidays as part of the Authority's service schedules. Storer provides all required training for selected applicants.

Driver recruitment is conducted primarily through the Storer Transit Systems corporate employment website, with additional visibility provided through a direct link on the Yuba-Sutter Transit website. Recruitment efforts also include postings on Indeed and participation in meet-and-greet interview events. Storer assists successful candidates in obtaining a Class B Commercial Driver License with passenger and air brake endorsements, including support through Department of Motor Vehicles testing and access to virtual training resources as needed. Drivers are cross-trained across all service modes, including fixed-route, commuter, and demand-response services. Dial-A-Ride operators are additionally required to obtain General Public Paratransit Vehicle certification.

Training requirements for operators were enhanced during the audit period. New drivers receive a minimum of 80 hours of classroom instruction combined with 120 to 140 hours of behind-the-wheel training, with additional time allocated for advanced operating conditions such as hill and grade training involving slopes between 6 and 10 percent. Training is structured to ensure operators are familiar with system routes, safety procedures, customer service expectations, and vehicle operation prior to assignment.

Drivers are subject to a probationary period, during which performance is evaluated during the first six months following appointment. An additional performance review is conducted prior to permanent appointment. Thereafter, performance evaluations are conducted annually or as required for transfers, promotions, step increases, or corrective action. Route assignments are bidded based on seniority, consistent with contract provisions.

Storer offers wages ranging from approximately \$18.52 to \$22.88 per hour, depending on experience and progression, along with a 401(k)-retirement plan and benefits package. Incentive programs remain in place to support employee retention and safety performance, including monthly recognition programs, safety bonuses, driver- and employee-of-the-month awards, and a Driver of the Year program, among other non-monetary incentives.

## **Maintenance**

Maintenance services for Yuba-Sutter Transit Authority are fully contracted to Storer Transit Systems, which is responsible for fleet maintenance operations, staffing, and day-to-day facility activities. Maintenance personnel consist of one maintenance manager, 10 mechanics and utility workers, and one maintenance clerk. A new maintenance manager was hired in February 2025, and since that time the Authority has reported improved communication, increased transparency, and enhanced maintenance performance. The maintenance manager participates in monthly coordination meetings between the Authority and Storer Transit Systems.

Mechanics maintain a range of professional certifications. Certifications held include Automotive Service Excellence, Hunter Alignment, California Air Resources Board Credentialed Tester, Battery Electric Bus Familiarization, HVAC, and Amerex vehicle fire suppression systems. Battery-electric bus certification has been identified as a requirement in preparation for future zero-emission fleet deployment. Mechanics have also received manufacturer training on MCI coaches and Gillig buses. Personal protective equipment is issued to all maintenance staff and is restocked weekly.

The maintenance facility includes five service bays, with two sets of post lifts, including six-post lifts used for over-the-road MCI coaches. While the facility is currently adequate for the Authority's fleet size, it is approaching capacity, and the Authority is planning for future construction of a new maintenance facility to support fleet growth and electrification. Operations have focused on maintaining and enhancing the existing facility, including the installation of new security cameras, speed bumps, and access controls. The yard is now locked at all times, improving overall site security. Maintenance operating hours are 4:30 a.m. to 11:30 p.m., Monday through Saturday, with the facility closed on Sundays.

Preventive maintenance inspections (PMIs) are conducted in accordance with documented schedules and have remained on schedule throughout the audit period.

For demand-response vehicles, the PMI intervals are as follows:

- PMI A: every 45 days or 3,000 miles (safety inspection)
- PMI B: every 5,000 miles (lube service and fluid changes)
- PMI C: every 24,000 miles
- PMI D: every 48,000 miles

For fixed-route vehicles, PMI intervals include:

- PMI A: every 45 days (safety inspection)
- PMI B: every 10,000 miles (lube service and fluid changes)
- PMI C: every 24,000 miles
- PMI D: every 48,000 miles

The Authority reports that vehicle road calls declined during the audit period, particularly in FYs 2021–22 through 2023–24, attributable in part to fleet replacement and newer vehicles. Additionally, alignment checks were added to inspections as a proactive measure to improve vehicle longevity and performance.

Yuba-Sutter Transit uses Ron Turley Associates (RTA) fleet maintenance software, including both RTA-Classic and RTA-360 modules, to track PMIs, labor, and parts inventory. Parts inventory cycle counts are conducted at the beginning of each month by the contractor. Parts are barcoded, managed by the maintenance clerk, and subject to routine inventory controls. The Authority owns its tires rather than leasing them.

Certain maintenance services are outsourced, including engine tear-downs, engine and transmission rebuilds, work below the rocker panels, opacity testing, and major body work. Warranty work is performed by authorized dealers, while preventive maintenance and minor body work are completed in-house.

Diesel fuel is purchased on the spot market and delivered approximately every 10 to 12 days. Vehicle fueling is performed by utility workers using three on-site diesel fueling pumps. Unleaded gasoline is purchased via card-lock through Ramos Oil CFN, with fueling locations in Marysville and Yuba City.

Drivers conduct daily pre-trip inspections. If there is an issue, the driver will notify dispatch and maintenance. A measure of maintenance performance is the number of recorded incidents that are related to equipment breakdown. The daily road call sheet displays the date, route number, vehicle number, driver, and problem. The number of road calls derived from the daily road call sheet are shown in Table V-4:

**Table V-4  
Yuba-Sutter Transit Road Calls**

	FY 2021	FY 2022	FY 2023	FY 2024
<b>Small Vehicles</b>	9	7	1	5
<b>Large Vehicles</b>	33	15	10	15
<b>Total</b>	<b>42</b>	<b>22</b>	<b>11</b>	<b>20</b>

*Source: Yuba-Sutter Transit-Storer Transit Systems Monthly Reports*

During the audit period, total road calls declined from 22 in FY 2022 to 11 in FY 2023, followed by an increase to 20 in FY 2024. Overall, road call levels during the audit period remained below earlier years, reflecting continued stabilization following service fluctuations in prior fiscal years. Large vehicles accounted for the majority of road calls in each year, although incidents declined in FY 2023 before increasing in FY 2024.

New buses were added to the fleet during the audit period, which may help mitigate road call frequency and support improved service reliability over time. Review of maintenance records indicates that the 2013 Gillig vehicles experienced the greatest number of issues, suggesting that newer vehicles are beginning to reduce road call occurrences associated with older fleet assets.

## **Planning**

Planning activities at Yuba-Sutter Transit Authority during the audit period were centered on post-pandemic service recovery, evaluation of route performance, and long-term system planning through the development and adoption of the Yuba-Sutter NextGen Transit Plan, which functions as the Authority's COA and SRTP. The planning process emphasized data-driven evaluation, extensive public engagement, and coordination with regional partners and member jurisdictions.

In January 2022, Yuba-Sutter Transit issued a Request for Proposals to select a qualified consulting team to prepare a COA/SRTP. In April 2022, a consultant team led by Innovate Mobility, LLC was selected. The effort was funded in part through a \$199,192 FY 2021–22 Sustainable Communities Planning Grant from Caltrans, with a total project budget of approximately \$225,000, including required local match. The prior SRTP had been adopted in April 2015, and the updated plan was necessary to maintain eligibility for federal funding.

The resulting NextGen Transit Plan, adopted by the Board of Directors on May 18, 2023, provides a comprehensive, top-to-bottom evaluation of the Authority's local, rural, commuter, and Dial-A-Ride services. The Plan is intended to guide the system over the next 5 to 10 years, with particular emphasis on pandemic recovery, service modernization, future fleet electrification, and the anticipated construction of a new transit operations, maintenance, and administrative facility. The Plan evaluates a broad range of strategies, from incremental service adjustments to more transformative service redesign concepts, and considers relationships between transit service, land use, population growth, employment patterns, social equity, and areas of high transit need.

Key objectives of the NextGen Transit Plan include reducing travel times, improving service frequency and connectivity where feasible, and introducing innovative and technology-enabled service delivery options to enhance the overall rider experience. While the Plan includes recommended implementation strategies, Authority staff emphasized during audit interviews that the Plan is not treated as prescriptive; recommendations are evaluated through additional analysis and public processes prior to implementation.

Public engagement was a significant component of the planning process. The NextGen Transit Plan outreach program included on-board flyers, online and paper surveys, social media outreach, stakeholder interviews, public workshops, and community open houses. Approximately 200 to 300 surveys were completed during the engagement period. Two community open houses and three Board workshops were held, providing multiple opportunities for public and policy input.

Authority staff noted that permanent service changes—such as frequency reductions to commuter services—were addressed through separate public processes as part of phased implementation, rather than being enacted solely based on plan recommendations.

Planning and service decisions during the audit period were heavily influenced by post-pandemic travel behavior. Commuter services have been slower to recover, as many commuters have not fully returned to in-office work, though park-and-ride usage remains present at reduced levels. Fixed-route and demand-response services have largely stabilized.

Routes are evaluated using service performance data and tools available through regional partners. SACOG maintains a Remix software license, which is available for evaluating route alignment, performance, and service scenarios. Some route analysis functions are also subcontracted as needed to support planning efforts.

Overall, the Authority's planning efforts during the audit period demonstrated a structured, transparent, and adaptive approach, supporting service stabilization, compliance with SRTP and COA requirements, meaningful public participation, and preparation for future capital investment and evolving mobility needs.

### **Marketing**

Marketing and outreach activities at Yuba-Sutter Transit Authority during the audit period reflected an increased organizational focus on communications and public engagement, particularly in the period leading up to the Authority's 50th anniversary of transit service. Marketing improvements and expanded outreach were also identified as a key need in the COA/SRTP (NextGen Transit Plan), prompting additional resources and organizational emphasis in this functional area.

In advance of its 50th anniversary, the Authority undertook a refresh of its website and messaging to promote consistent communication with riders, non-riders, community stakeholders, and partner agencies. While a broader rebranding effort (including a new logo and visual identity) occurred after the audit period, the Authority began laying the groundwork through improved messaging, increased public information, and greater visibility.

The Authority's website (<https://www.yubasuttertransit.com/>) is maintained in-house and serves as a primary communications tool. It features press releases, service updates, Board meeting agendas and minutes, public notices, and customer information, supporting both transparency and accessibility. The website includes a Google Translate widget, allowing content to be viewed in multiple languages, and supports trip planning through Google Trip Planner functionality. GTFS services are outsourced.

Social media and electronic communications expanded during the audit period. Yuba-Sutter Transit uses Facebook and Instagram for outreach and uses MailChimp to distribute email blasts, press releases, Board meeting notices, agendas, and other announcements. This represents an evolution from earlier periods, when limited staffing constrained consistent use of social media platforms. The Authority reported an increased focus on marketing and communications since the pandemic, reflecting the need to re-engage riders as service levels stabilized.

Despite the growth of electronic communications, the Authority continues to publish printed passenger materials, including route brochures and service information, recognizing that some

riders rely on paper formats. Printed and electronic materials are offered concurrently. Passenger materials are available in multiple languages, and the Authority continues efforts to ensure accessibility for limited-English-proficiency populations.

The Authority actively engages the community through participation in local events and resource fairs, including Senior Resource Fairs, Health and Human Services Resource Fairs, school-related events, and other community gatherings. Outreach efforts have included attendance at back-to-school events, high school and college resource activities, local parades, and other public events aimed at increasing awareness of transit services available to seniors, students, and persons with disabilities.

The Authority continues to administer an advertising program for bus shelters, benches, and bus exteriors. The program is supported by an annual advertising revenue budget of \$75,000 and generates approximately \$6,000 to \$8,000 per month, primarily through full-side bus wraps. A ten-year agreement with Stott Outdoor Advertising, later assigned to Lamar Transit, LLC, remains in effect through September 2027 and supports ongoing non-fare revenue generation.

Passenger amenities implemented prior to and maintained during the audit period include free on-board Wi-Fi on all local fixed-route and commuter buses, as well as real-time service information through the GTFS tracking application, which allows riders to access bus locations, arrival projections, and service alerts from internet-connected devices.

The Authority continued to administer discounted fare programs supported by external funding sources, including youth, senior, and disabled passes previously subsidized by the Feather River Air Quality Management District and general-public monthly pass subsidies supported by the State Low Carbon Transit Operations Program (LCTOP). These programs have supported affordability and ridership recovery.

Pursuant to the federal Civil Rights Act of 1964, Yuba-Sutter Transit remains in compliance with Title VI of the Civil Rights Act of 1964. During the audit period, the Authority updated its Title VI Program on March 21, 2024, ahead of the April 2024 submittal deadline. The updated plan was transmitted to the FTA. Title VI notices are posted on the Authority's website, on transit vehicles, and at the Authority's office, and are provided in English and Spanish. Complaint forms are available to the public, and procedures are in place to receive, document, and address Title VI-related complaints.

### **General Administration and Management**

Pursuant to its JPA, the Yuba-Sutter Transit Authority is governed by a Board of Directors composed of two elected representatives from each of the four member jurisdictions: Sutter County, Yuba County, the city of Marysville, and the city of Yuba City, for a total of eight Board members. Unless otherwise noticed, the Board holds regular monthly meetings at 4 p.m. on the third Thursday of each month. Meetings are conducted in the Board of Supervisors Chambers at the Yuba County Government Center, located at 915 Eighth Street, Marysville, California. Board agendas, minutes, and meeting notices are posted publicly, and meetings are open to the public

in accordance with applicable open-meeting requirements.

The Authority is administered by a staff of six: an executive director, finance manager, planning manager, two program analysts, and an administrative assistant. The Authority's executive director, who had been with the Authority since 1987, retired by the end of June 2023, concluding a tenure spanning 1987–2023 (approximately 36 years as executive director and nearly 44 years of public service). The Authority formally recognized his retirement at the June 2023 Board meeting, which included a retirement recognition agenda item.

The Authority's current executive director joined Yuba-Sutter Transit in July 2023. His appointment represented a planned leadership transition and coincided with the early implementation phase of the NextGen Transit Plan, providing continuity during a critical period of service restructuring and capital program advancement. Prior to his appointment at Yuba-Sutter Transit, he served as executive director of El Dorado Transit. His professional background also included earlier management experience with Yuba-Sutter Transit, where he previously served as planning and marketing manager between 2013 and 2017.

The Authority's formal budget development process begins in February, when staff initiates preparation of the upcoming fiscal year budget based on a series of planning and revenue assumptions. A preliminary budget is presented to the Board of Directors in March, consistent with the JPA requirements, to allow for initial review and policy input. At this stage, budget estimates are assumption-based, and staff solicit feedback from the Board while continuing to refine revenue projections and expenditure estimates.

If updated revenue information becomes available—most notably changes to LTF or other key funding assumptions—a revised preliminary budget may be presented in April. The Authority's final operating and capital budget is formally adopted in May, providing advance notice to the member jurisdictions for incorporation of LTF contributions into their respective budget processes.

LTF apportionment estimates used in the Authority's budget are provided by Sutter County and Yuba County in accordance with the statutory allocation formula. In addition, STA funds are programmed toward eligible services, including support for Live Oak and Wheatland services, consistent with TDA eligibility requirements. Less than 50 percent of the Authority's total operating revenues are derived from LTF, with remaining revenues comprised of federal assistance, STA, passenger fares, and other local and grant funding sources.

During the audit interview, Authority staff noted ongoing challenges related to the timeliness of TDA fund disbursements from local member jurisdictions. While allocations are approved consistent with statutory requirements, delays in on-time disbursement have created cash-flow constraints for the Authority. This issue is compounded by the Authority's reliance on federal funding, which represents approximately 25 to 30 percent of total revenues and is received on a reimbursable basis. As a result, the Authority depends heavily on timely receipt of TDA funds to meet near-term operating expenditures.

Staff indicated that maintaining adequate operating reserves remains a priority to support financial stability and mitigate timing differences between expenditures and reimbursements. As part of regional financial planning guidance, SACOG has recommended that transit operators maintain approximately six months of operating funds as a cash-flow float. The Authority expressed interest in maintaining a reasonable cash balance to ensure continuity of operations and reduce reliance on delayed reimbursements. Improved coordination on TDA disbursement timing and establishment of a reasonable cash-flow framework would strengthen financial stability, reduce short-term liquidity risk, and support continuity of service delivery. It is recommended that the Authority work with its member jurisdictions together with SACOG education and mediation efforts to improve the timeliness of TDA fund disbursements and consider formalizing a cash-flow or operating reserve policy.

At its July 2019 meeting, the Yuba-Sutter Transit Authority Board of Directors conditionally accepted the recommendation of its ad hoc proposal review committee and authorized the execution of an operations and maintenance services agreement with Storer Transit Systems, effective October 1, 2019. Under this agreement, Storer Transit Systems serves as the Authority's operations and maintenance (O&M) contractor, providing all fixed-route, commuter, and demand-response operations; fleet maintenance services; and related staffing functions.

The agreement included an initial four-year term extending through September 30, 2023, with provisions allowing the Authority to exercise up to two successive option terms of two years each. If fully exercised, the agreement provides for a maximum contract duration of eight years, extending through September 30, 2027. The exercise of each option term is subject to Board approval and satisfactory contractor performance, consistent with the agreement's performance, reporting, and cost-control provisions. The first, 2-year option was exercised during the audit period (April/May 2023).

Total compensation payable to Storer Transit Systems for the initial contract term (October 1, 2019, through September 30, 2023) was not to exceed \$26,013,770, exclusive of any Board-approved amendments or escalation provisions provided for in the contract. Subsequent option periods have been governed by the contract's established cost-adjustment mechanisms and annual budget approvals.

To support transparency and coordination, the contractor participates in regular meetings with Authority staff, including monthly coordination meetings involving the maintenance manager and Authority representatives.

Pursuant to the TDA, Yuba-Sutter Transit Authority receives LTF proceeds and STA funds and has been a direct claimant of TDA funding since the 1990s. TDA revenues are used primarily to support operating expenditures, with portions allocated to eligible capital projects as appropriate. Based on annual fiscal and compliance audit data, LTF revenues received during the audit period totaled \$3,100,000 in FY 2022, \$3,900,000 in FY 2023, and \$4,000,000 in FY 2024. The annual allocation of LTF revenues is determined based on the amount required to balance the operating budget after consideration of all other available revenue sources.

STA revenue constitutes the Authority's primary source of ongoing state transit funding and has historically served as a key source of local matching funds for federal capital grants, as well as supporting operating needs. STA revenues received by Yuba-Sutter Transit during the audit period totaled \$3,024,168 in FY 2022, \$2,114,176 in FY 2023, and \$2,353,084 in FY 2024. Transit Operators' Financial Transactions Reports submitted to the State Controller are generally prepared by Authority staff and certified by executive management in accordance with statutory reporting requirements.

Due to FTA deferrals and scheduling adjustments during and following the COVID-19 pandemic, the subsequent Triennial Review cycle was not conducted in 2021–2022, as would normally be expected under the standard three-year cycle. Therefore, the Authority underwent an FTA Triennial Review post audit period, with the most recent review conducted in 2025. Key milestones for the review included a desk review conducted from February 1 through February 28, 2025, followed by a scoping meeting held March 25–27, 2025. The site visit entrance conference occurred on May 21, 2025, and the exit conference was held on May 30, 2025. A draft Triennial Review report was issued on July 1, 2025, and the final report was released on August 5, 2025. The Triennial Review evaluated the Authority's compliance across 23 review areas, and no deficiencies were identified. The results of the review indicate that Yuba-Sutter Transit is in full compliance with applicable FTA requirements.

#### *Grants Administration*

Yuba-Sutter Transit Authority demonstrates a strong level of technical capacity in the administration of federal and state grant programs. Grant procurement activities are led by Authority management, while post-award grant administration is delegated to the Finance Manager, with responsibilities that include financial oversight, reporting, and compliance monitoring. This division of responsibility allows the Authority to effectively pursue external funding while maintaining appropriate internal controls over awarded funds.

The Authority prepares and submits quarterly and/or annual (depending on the grant) milestone progress reports through the FTA's Transit Award Management System (TrAMS) and follows established financial controls for reimbursement-based grants. The Authority's demonstrated ability to manage multiple funding sources, comply with federal and state reporting requirements, and advance large-scale capital projects reflects a high level of grant management capacity and technical competence.

During the audit period, the Authority continued to receive and manage federal formula funding under FTA Sections 5307 (Urbanized Area Formula) and 5311 (Rural Area Formula), as well as capital assistance under FTA Section 5339 (Bus and Bus Facilities Program). As Yuba-Sutter Transit lies outside the Sacramento urbanized area for federal transit funding purposes, the Authority receives a separate apportionment of federal funds, providing a greater degree of local control over capital programming and removing the agency from SACOG's prioritization process for limited urbanized-area transit funds.

As reported in the Authority's audited financial statements and compliance reports, no

FTA-funded capital expenditures occurred in FY 2022 or FY 2023. During FY 2024, Yuba-Sutter Transit incurred eligible federal expenditures associated with the procurement of six demand-response buses under active FTA Section 5311 and Section 5339 capital awards. The total approved project budget for this vehicle procurement is \$1.28 million, as included in TrAMS, consisting of \$558,399 in Section 5339 funds, \$151,050 in Section 5311 funds, \$550,000 in State Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds, and \$20,551 STA funds.

As reflected in TrAMS obligation and expenditure milestones, the Authority fully obligated the federal awards during the audit period and had expended \$1,221,344 toward the project as of the close of FY 2024. Federal expenditures recorded in TrAMS through FY 2024 include \$520,294 under the Section 5339 award and the full \$151,050 under the Section 5311 award, along with \$550,000 in PTMISEA state match funding. The remaining \$38,105 in Section 5339 funds and \$20,551 in STA funds were unobligated or unexpended as of FY 2024 and programmed for drawdown during final vehicle delivery, preparation, and close-out activities.

The procurement was initiated in FY 2023 using state PTMISEA funds, with federal reimbursement beginning in FY 2024, consistent with TrAMS project timelines. Final milestones—including vehicle acceptance, pre-revenue service preparation, and placement into revenue service—are scheduled for completion in FY 2025, at which time remaining federal and state funds will be fully expended and the project formally closed in TrAMS.

The Authority did not expend FTA capital funds on the NextGen Facility project during FY 2024. These funds were pulled back administratively pursuant to a Caltrans order and supplanted with State SB 125 fund and reflect the transition of the project from planning into active implementation.

Nevertheless, state funding continues to play a significant role in supporting the Authority's capital and operating programs. The Authority has also used funding from the State of Good Repair (SGR) Program, established under Senate Bill 1, which provides a consistent revenue source for transit infrastructure and fleet investments. SACOG administers SGR funds on a reimbursement basis, and prior SGR funds have supported fleet replacement initiatives.

Additionally, the Authority continues to receive LCTOP funds. LCTOP funding during the audit period supported both capital and operating initiatives, including fare subsidy programs, zero-emission bus planning, and periods of fare-free service designed to bolster ridership recovery.

## Section VI

### Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2022 through 2024. A set of recommendations is then provided.

#### Triennial Audit Findings

1. Of the compliance requirements pertaining to Yuba-Sutter Transit, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to the Authority (i.e., exclusive rural and urbanized farebox recovery ratios).
2. Yuba-Sutter Transit's farebox recovery ratio remained above the required 14.6 percent standard throughout based on audited data reported in the Yuba-Sutter Transit Authority - Audited Financial Statements and Compliance Reports. The farebox recovery ratio was 63.96 percent in FY 2022; 42.99 percent in FY 2023; and 43.06 percent in FY 2024.<sup>3</sup> The average system-wide farebox recovery ratio was 50 percent during the triennial review period.
3. Through its contract operator, Yuba-Sutter Transit participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. Yuba-Sutter Transit's operating budget exhibited modest year-over-year growth. The operating budget increased by 4.8 percent in FY 2022 and 6.5 percent in FY 2023, followed by a more moderate increase of 0.9 percent in FY 2024, reflecting a general stabilization in budget growth during the latter part of the audit period.
5. Yuba-Sutter Transit is in the process of implementing two prior audit recommendations, while two have been implemented. Recommendations currently in process relate to the implementation of new technology systems to enhance performance data analysis and the adoption of mobile and contactless fare payment options. Implemented recommendations pertained to enhancements to marketing and outreach efforts and improvements to safety performance in response to revised accident reporting protocols.

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<sup>3</sup> AB 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21. AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19.

6. Operating costs increased 13.5 percent system-wide from the FY 2021 base year to FY 2024 using audited operating cost data. Fixed route and commuter operating costs increased by 8.0 percent, while Dial-A-Ride operating costs increased by 30.4 percent using unaudited modal data. On an average annual basis, system-wide operating costs increased by 4.5 percent, with the largest year-over-year increase of 11.1 percent occurring in FY 2023, reflecting inflationary pressures and service stabilization following the pandemic.
7. Ridership increased 65.0 percent system-wide, from 347,891 passenger trips in FY 2021 to 573,966 trips in FY 2024. Fixed route and commuter ridership increased by 64.4 percent, while Dial-A-Ride ridership increased by 74.9 percent, generally mirroring the system-wide recovery trend. Despite these gains, total ridership remains below pre-pandemic levels. Ridership declined from 931,948 trips in FY 2019 to 347,891 trips in FY 2021, representing a 66 percent reduction. By FY 2024, ridership had recovered to 61.6 percent of pre-pandemic levels, largely driven by fixed route and commuter services, which recovered to 62.2 percent of FY 2019 ridership.
8. Vehicle service hours and miles decreased slightly on a system-wide basis over the audit period, declining 0.8 percent and 1.6 percent, respectively. At the modal level, fixed route and commuter service hours declined by 7.3 percent, and service miles declined by 8.2 percent, reflecting reduced commuter frequencies. In contrast, Dial-A-Ride service hours increased by 19.7 percent and service miles increased by 29.2 percent, consistent with increased demand for demand-response services.
9. Operating cost per passenger, a key indicator of cost effectiveness, decreased 31.2 percent system-wide, from \$21.68 in FY 2021 to \$14.92 in FY 2024. Operating cost per passenger declined 34.3 percent for fixed route and commuter services and 25.5 percent for Dial-A-Ride. These improvements reflect substantial ridership gains as pandemic-related travel restrictions eased, while operating costs increased more gradually.
10. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 14.5 percent system-wide, from \$110.01 in FY 2021 to \$125.92 in FY 2024. This indicator increased 16.5 percent for fixed route and commuter services and 8.9 percent for Dial-A-Ride, largely attributable to inflation, labor cost growth, and changes in service delivery.
11. Yuba-Sutter Transit experienced continued ridership recovery, reaching approximately 65 percent of pre-pandemic levels by FY 2024, led by fixed-route and Sacramento commuter services. Service levels remained moderated to reflect evolving travel patterns, while rural services to non-member communities were maintained. Operations were also affected by SR 70 construction activities, which temporarily constrained yard space and required operational adjustments.
12. During the audit period, Yuba-Sutter Transit advanced planning for a replacement operations, maintenance, and administration facility, including acquisition of a 19.72-acre site in Linda in 2021. The proposed next-generation facility is designed to support zero-emission fleet conversion, future service expansion, and integrated infrastructure such as solar energy

generation. Progress included environmental review, preliminary design activities, and successful pursuit of significant federal and state grant funding to support project delivery.

13. Operations and maintenance personnel are fully contracted to Storer Transit Systems, which employs approximately 74 full-time staff to support Yuba-Sutter Transit services. Staffing levels were stable during the audit period, with low turnover and an experienced workforce, supported by structured recruitment, training, and performance evaluation practices. While management reported generally effective staffing and retention, ongoing attention to wage competitiveness was noted as an area to monitor to sustain workforce stability.
14. Maintenance services encompass fleet maintenance, staffing, and facility operations. The maintenance program is supported by certified mechanics and strengthened by improved coordination following the hiring of a new maintenance manager in February 2025. While the existing facility remains adequate for current operations, it is nearing capacity, and the Authority is planning for a new maintenance facility to support future fleet growth and electrification.
15. Yuba-Sutter Transit’s planning efforts focused on post-pandemic service recovery, route performance evaluation, and long-term system planning through development and adoption of the NextGen Transit Plan. Adopted in May 2023, the Plan serves as the Authority’s COA and SRTP, providing a data-driven framework to guide service modernization, future capital investments, and system improvements over the next five to ten years, with implementation approached through additional analysis and public engagement.
16. During the audit period, Yuba-Sutter Transit increased its focus on marketing and public outreach, consistent with priorities identified in the NextGen Transit Plan. Efforts included refreshed website content and improved messaging in advance of the Authority’s 50th anniversary, laying the foundation for expanded visibility and communications improvements implemented after the audit period.
17. The Authority is administered by a six-person staff led by an executive director. The former executive director retired in June 2023 following nearly 44 years of public service, including approximately 36 years in that role. A planned leadership transition occurred in July 2023 with the appointment of the current executive director, who brought prior executive experience and previous service with Yuba-Sutter Transit, providing continuity during implementation of the NextGen Transit Plan.

## Recommendations

### 1. Improve TDA Cash-Flow Management and Disbursement Coordination. (High Priority)

Authority staff reported challenges with the timely receipt of TDA funds from local member jurisdictions. These timing delays have contributed to cash-flow constraints, particularly given that approximately 25 to 30 percent of the Authority’s operating revenues are derived from federal sources received on a reimbursable basis. SACOG has recommended that transit operators maintain approximately six months of operating funds as a cash-flow float to address such timing differences.

Improved coordination on TDA disbursement timing and establishment of a reasonable cash-flow framework would strengthen financial stability, reduce short-term liquidity risk, and support continuity of service delivery. It is recommended that the Authority work with its member jurisdictions together with SACOG education and mediation efforts to improve the timeliness of TDA fund disbursements and consider formalizing a cash-flow or operating reserve policy to mitigate the impacts of reimbursable federal funding and support ongoing operations.

### 2. Periodically Review Fare Policy and Fare Media Performance. (Medium Priority)

The Authority collects approximately 65 to 75 percent of fare revenues through electronic fare media, primarily the Connect Card, reflecting a largely cashless fare structure. Fare changes implemented in January 2025, including monthly passes valid on microtransit services, highlight the importance of ongoing evaluation of fare structures and fare media usage as travel patterns and customer preferences evolve. Regular monitoring will support data-informed adjustments to fare policies and technologies while balancing customer convenience and revenue performance. It is recommended that the Authority continue to periodically review fare policies and fare media performance to ensure alignment with ridership trends, revenue objectives, and service delivery models, including microtransit.