



# **Orange County Transportation Authority**

## **Executive Committee Agenda Monday, May 5, 2025 at 9:00 a.m.**

Board Room, 550 South Main Street, Orange, California

### **Committee Members**

Doug Chaffee, Chair  
Jamey M. Federico, Vice Chair  
Michael Hennessey, Finance & Administration Chair  
Fred Jung, Transit Committee Chair  
Stephanie Klopfenstein, Regional Transportation Planning Chair  
Tam T. Nguyen, Immediate Past Chair  
Donald P. Wagner, Legislative & Communications Chair

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

### **Agenda Descriptions**

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

### **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

### **Meeting Access and Public Comments on Agenda Items**

Members of the public can either attend in-person or access live streaming of the Committee meetings by clicking this link: <https://octa.legistar.com/Calendar.aspx>

### **In-Person Comment**

Members of the public may attend in-person and address the Board regarding any item within the subject matter jurisdiction of the Orange County Transportation Authority. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

# EXECUTIVE COMMITTEE MEETING AGENDA

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## Written Comment

Written public comments may also be submitted by emailing them to ClerkOffice@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda item, please identify the item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

## Call to Order

## Pledge of Allegiance

Director Wagner

## Closed Session

There are no Closed Session items scheduled.

## Special Calendar

There are no Special Calendar matters.

## Consent Calendar (Item 1)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

### 1. Approval of Minutes

Clerk of the Board

#### ***Recommendation(s)***

Approve the minutes of the April 7, 2025, Executive Committee meeting.

#### ***Attachments:***

[Minutes](#)

## Regular Calendar

### 2. Third Quarter Fiscal Year 2024-25 Capital Action Plan and Performance Metrics

James G. Beil

#### ***Overview***

Staff has prepared a quarterly progress report on capital project delivery for the period of January 2025 through March 2025, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

#### ***Recommendation(s)***

Receive and file as an information item.

#### ***Attachments:***

## EXECUTIVE COMMITTEE MEETING AGENDA

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[Staff Report](#)  
[Attachment A](#)  
[Attachment B](#)  
[Presentation](#)

Presenting: Jim B.  
PPT: Yes/No

### 3. **Measure M2 Eligibility for the City of Orange**

Adriann Cardoso/Rose Casey

#### **Overview**

In 2024, the Orange County Transportation Authority Board of Directors found the City of Orange ineligible to receive Measure M2 net revenues due to inadequate documentation demonstrating that it had spent sufficient discretionary funds on streets and roads in fiscal year 2022-23 to meet the Measure M2 Maintenance of effort requirement. A recent review of the City of Orange's Measure M2 maintenance of effort expenditures for fiscal year 2023-24 has determined that the City of Orange has met its minimum maintenance of effort expenditure requirement, including the shortfall amount. Board of Directors' approval to reinstate the City of Orange's Measure M2 eligibility status and reinitiate Measure M2 payments is recommended.

#### **Recommendation(s)**

- A. Approve the City of Orange as eligible to receive Measure M2 net revenues.
- B. Direct staff to reinitiate payments to the City of Orange for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2023-24 audit costs).

#### **Attachments:**

[Staff Report](#)  
[Attachment A](#)

Presenting: Adriann C.  
PPT: No

### 4. **Measure M2 Eligibility for the City of Huntington Beach**

Adriann Cardoso/Rose Casey

#### **Overview**

The Orange County Transportation Authority's Internal Auditor issued results of an independent auditor's report on applying agreed-upon procedures related to the City of Huntington Beach's compliance with the Measure M2 requirements for fiscal year 2023-24. The independent auditor's report found that the City of Huntington Beach had used Measure M2 Local Fair Share funds for expenses that were deemed unallowable per the Measure M2 Ordinance No. 3. Based on this information, recommendations to address the independent auditor's report and findings are presented.

#### **Recommendation(s)**

## EXECUTIVE COMMITTEE MEETING AGENDA

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- A. Seek reimbursement of \$29,249 from the City of Huntington Beach and find the City of Huntington Beach ineligible to receive Measure M2 net revenues for five years pursuant to Section 10.4 of Ordinance No. 3.
- B. Authorize the Internal Auditor to engage independent auditor services to apply agreed-upon procedures to review the City of Huntington Beach's Measure M2 Local Fair Share program and other expenditures for fiscal year 2024-25, fiscal year 2025-26, fiscal year 2026-27, fiscal year 2027-28, and fiscal year 2028-29, to enable the City of Huntington Beach to reestablish eligibility and authorize staff to deduct the review costs from any future net Measure M2 payments to the City of Huntington Beach.
- C. Authorize the Chief Executive Officer to negotiate and execute an agreement with the City of Huntington Beach to formalize the required actions to reestablish eligibility and other terms.

***Attachments:***

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

Presenting: Adriann C.

PPT: No

**5. Cooperative Agreement with the County of Orange, Orange County Sheriff's Department**

Matt Ankley/Jennifer L. Bergener

***Overview***

On July 13, 2020, the Board of Directors approved a five-year agreement with the County of Orange, Orange County Sheriff's Department, to provide Transit Police Services. The current agreement expires June 30, 2025, and a new agreement is necessary to ensure continuity of services provided. Consistent with prior agreements, the term of the proposed agreement is for five years and includes the budget for services to be provided only for fiscal year 2025-26. Amendments for each subsequent fiscal year budget will be brought forth to the Board of Directors for consideration on an annual basis.

***Recommendation(s)***

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4051 between the Orange County Transportation Authority and the County of Orange, Orange County Sheriff's Department, for a five-year term effective July 1, 2025 through June 30, 2030, in the initial amount of \$15,523,166 to fund transit police services provided from July 1, 2025 through June 30, 2030.

***Attachments:***

## EXECUTIVE COMMITTEE MEETING AGENDA

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[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Presentation](#)

Presenting: Matt A.

PPT: Yes

## **EXECUTIVE COMMITTEE MEETING AGENDA**

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### **Discussion Items**

- 6. Public Comments**
- 7. Chief Executive Officer's Report**
- 8. Committee Members' Reports**
- 9. Adjournment**

The next regularly scheduled meeting of this Committee will be held:

**9:00 a.m. on Monday, June 2, 2025**

OCTA Headquarters  
Board Room  
550 South Main Street  
Orange, California



**Committee Members Present**

Doug Chaffee, Chair  
Jamey M. Federico, Vice Chair  
Fred Jung  
Stephanie Klopfenstein  
Tam T. Nguyen  
Donald P. Wagner

**Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Jennifer L. Bergener, Deputy Chief Executive Officer  
Andrea West, Clerk of the Board  
Gina Ramirez, Assistant Clerk of the Board  
Allison Cheshire, Clerk of the Board Specialist, Senior  
James Donich, General Counsel  
OCTA Staff

**Committee Members Absent**

Michael Hennessey

**Call to Order**

The April 7, 2025, Executive Committee regular meeting was called to order by Chair Chaffee at 9:01 a.m.

**1. Approval of Minutes**

A motion was made by Director Wagner, seconded by Director Nguyen, and, declared passed by those present to approve the minutes of the March 3, 2025, Executive Committee meeting.

**2. Amendment to Cooperative Agreement with the County of Orange, Orange County Sheriff's Department**

A motion was made by Director Jung, seconded by Director Federico, and, declared passed by those present to authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Cooperative Agreement No. C-0-2330 between the Orange County Transportation Authority and the County of Orange, Orange County Sheriff's Department, in the amount of \$209,876, for the initial request of OC Streetcar Transit Police Services, effective May 2, 2025 through June 30, 2025. This will increase the maximum obligation of the agreement to a total contract value of \$12,869,312.

Directors Nguyen and Wagner voted in opposition to this item.

**3. Amendment to Agreement for Security Officer Services**

A motion was made by Director Federico, seconded by Director Jung, and, declared passed by those present to:

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-2-2886 between the Orange County Transportation Authority and Inter-Con Security Systems, Inc., in the amount of \$332,158, to provide additional security officer services at the OC Streetcar Maintenance and Storage Facility.



- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-2-2886 between the Orange County Transportation Authority and Inter-Con Security Systems, Inc., in an amount of \$332,158 to exercise six months of the one-year option term for continued security officer services at the bus bases. These two actions will increase the maximum obligation of the agreement to a total contract value of \$1,756,316.

Public comment was received from Donald Hammonds.

## **Discussion Items**

### **4. State of Cybersecurity**

Lloyd Sullivan, Director of Information Systems, presented this item.

No action was taken on this information item.

### **5. Public Comments**

There were no public comments received.

### **6. Chief Executive Officer's Report**

Darrell E. Johnson, Chief Executive Officer, reported on the recent Washington, D.C. advocacy trip.

### **7. Committee Members' Reports**

There were no Committee Members' Reports.

### **8. Adjournment**

The meeting adjourned at 10:18 a.m.

The next regularly scheduled meeting of this Committee will be held:

**9:00 a.m. on Monday, May 5, 2025**

OCTA Headquarters

Board Room

550 South Main Street

Orange, California

ATTEST:

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Gina Ramirez  
Assistant Clerk of the Board





**May 5, 2025**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Third Quarter Fiscal Year 2024-25 Capital Action Plan and Performance Metrics

### **Overview**

Staff has prepared a quarterly progress report on capital project delivery for the period of January 2025 through March 2025, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Orange County Transportation Authority (OCTA) delivers highway, transit, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report provides the second quarter progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in fiscal year (FY) 2024-25.

### **Discussion**

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new projects (Attachment A). The CAP is categorized into four key project groupings

of freeway, railroad grade separation, and rail and station projects. Project delivery schedule milestones are used as performance indicators of progress in meeting commitments. The CAP performance metrics report provides a snapshot of delivery milestones planned for delivery in the FY and provides transparency and a performance measurement for capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, right-of-way (ROW), and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved and may be updated as delivery progresses and milestones achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project logo. The CAP status update is also summarized in the M2 Quarterly Progress Report.

The CAP consolidates the very complex capital project critical path delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.
Advertise Construction	The date a construction contract is advertised for construction bids.
Award Contract	The date the construction contract is awarded.
Construction Complete	The date all construction work is complete and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or the consultant preparing or working on the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Baseline schedule changes are typically made when transitioning to a new project delivery phase, or when significant change is identified during a phase of project delivery. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

The following CAP milestones were completed in the third quarter of FY 2024-25:

- The complete design milestone was achieved for the State Route 91 (SR-91) Improvement Project between La Palma Avenue and State Route 55 (SR-55). The SR-91 Improvement Project between SR-55 and State Route 57 (SR-57), Segment 2, is being delivered through three separate construction contracts.
- The award contract milestone was achieved for the SR-91 Improvement Project between SR-55 and Lakeview Avenue. This is Segment 1, the easternmost of the three segments. Construction is currently planned to be completed in mid-2028.

The following CAP milestones missed the planned delivery through the third quarter of FY 2024-25:

#### Freeway Projects

- The complete design milestone for the SR-91 to State Route 241 Express Connector project is delayed. The final design is being prepared by the Transportation Corridor Agencies (TCA) and final review and approvals are underway by the California Department of Transportation (Caltrans).

- The construction ready milestone for the northbound SR-57 Improvement Project between Orangewood Avenue and Katella Avenue was missed due to a final ROW acquisition and processing delays. The milestone is targeted for completion in April 2025.
- The construction ready milestone for the Interstate 5 (I-5) Improvement Project between Yale Avenue to SR-55 was missed due to final ROW acquisition and processing delays. This milestone is now targeted for completion in May 2025.
- The award contract milestone was missed for the Interstate 605 (I-605) Katella Avenue Interchange Improvement Project. Construction bids were received and opened on January 23, 2025. However, the contract was awarded on April 3, 2025. Construction is targeted to be completed in mid-2027.
- The complete construction milestone was missed for Segment 1 of the I-5 Improvement Project between State Route 73 (SR-73) and Alicia Parkway. All lanes are open for use and the final punch list and cleanup is underway with anticipated completion in May 2025. This is the southerly segment of three segments of the I-5 Improvement Project between Interstate 405 (I-405) and SR-73.
- The complete construction milestone was missed for Segment 3 of the I-5 Improvement Project between Alicia Parkway and El Toro Road. All lanes are open for use and the final punch list and cleanup is underway with anticipated completion now targeted just outside the current FY in July 2025. This is the northerly segment of three segments of the I-5 Improvement Project between I-405 and SR-73.

#### Recap of FY 2024-25 Performance Metrics Through the Third Quarter

The performance metrics snapshot provided at the beginning of FY 2024-25 reflected 17 planned major project delivery milestones to be accomplished through the third quarter (Attachment B). Twelve planned milestones were delivered through the third quarter of the current FY. Three of the five missed milestones were completed just outside of the reporting period and will be shown as achieved in the fourth quarter.

Third Quarter CAP Milestone and Cost Variance Updates

I-5, Alicia Parkway to El Toro Road

The complete construction milestone forecast was revised from June 2025 to July 2025 based on construction progress to date.

I-5, SR-73 to El Toro Road Landscaping

The forecast award contract and complete construction milestones were adjusted based on Caltrans' reported progress.

I-5, Yale Avenue to SR-55

The forecast construction ready, advertise construction, award contract, and complete construction milestones were adjusted to account for the new forecast construction ready date.

SR-91, SR-55 to Lakeview Avenue (Segment 1)

The forecast complete construction date was revised based on an adjusted forecast construction schedule.

SR-91 Eastbound Corridor Operations Project

The forecast complete environmental milestone was adjusted based on reported progress on the environmental clearance from the Riverside County Transportation Commission progress report.

SR-91 to State Route 241 Express Connector

The remaining forecast schedule was adjusted based on TCA's reported progress.

I-605/Katella Avenue Interchange

The forecast award contract and complete construction milestones were revised to account for the anticipated award schedule.

OC Streetcar

The forecast overall cost and construction complete milestone was revised to reflect the OC Streetcar funding and schedule update approved by the Board of Directors on February 24, 2025.

Transit Security and Operations Center

The forecast complete construction date was revised to match the current awarded contract construction schedule.

**FY 2024-25 Cost and Performance Metrics Risks**

Project final engineers' estimates and bid pricing continue to escalate higher than planned.

The Caltrans California Price Index for selected highway construction items for the first quarter of calendar year 2025 stands at 210.72, up 69.40 points (+49.10 percent) from the fourth quarter of 2024 index of 141.33. The index for the last 12 months (April 1, 2024 through March 31, 2025) is 159.38, up 0.67 points (+0.40 percent) from the fourth quarter of 2024 year-to-date index of 158.70.

Staff will continue to assess unit pricing data from other construction bids in the region and make needed adjustments to forecast costs to account for escalation of material and labor costs.

***Summary***

Capital project delivery continues to progress and is reflected in the CAP. Through the third quarter of FY 2024-25, 70.58 percent of the planned CAP milestones were delivered. Forecast schedules and costs have been updated for the FY 2024-25 performance metrics, which will be used as a general quarterly project delivery performance indicator in FY 2024-25. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

***Attachments***

- A. Capital Action Plan, Status Through March 2025
- B. Capital Programs Division, Fiscal Year 2024-25 Performance Metrics Through March 2025

**Prepared by:**















A handwritten signature in blue ink, appearing to read "James G. Beil".

James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646

# Capital Action Plan

Status Through March 2025

Updated: April 8, 2025
















Capital Projects	Cost Baseline/Forecast	Schedule Plan/Forecast							
		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
	(millions)								
<b>Freeway Projects:</b>									
I-5, Pico to San Diego County Line	TBD	Feb-21	Apr-24	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	<b>Feb-21</b>	<b>Jul-26</b>	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18
Project C	\$83.6	<b>Jun-09</b>	<b>Oct-11</b>	<b>Jun-11</b>	<b>Oct-13</b>	<b>May-14</b>	<b>Sep-14</b>	<b>Dec-14</b>	<b>Aug-18</b>
 I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Mar-17
Project C	\$75.3	<b>Jun-09</b>	<b>Oct-11</b>	<b>Jun-11</b>	<b>May-13</b>	<b>Aug-13</b>	<b>Feb-14</b>	<b>Jun-14</b>	<b>Jul-17</b>
 I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Sep-16
Project C	\$74.3	<b>Jun-09</b>	<b>Oct-11</b>	<b>Jun-11</b>	<b>Jan-13</b>	<b>Apr-13</b>	<b>Aug-13</b>	<b>Dec-13</b>	<b>Jul-18</b>
 I-5, I-5/Ortega Highway Interchange	\$90.9	Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Sep-15
Project D	\$79.8	<b>Sep-05</b>	<b>Jun-09</b>	<b>Jan-09</b>	<b>Dec-11</b>	<b>Apr-12</b>	<b>Jun-12</b>	<b>Aug-12</b>	<b>Jan-16</b>
 I-5, I-5/Ortega Highway Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	<b>Jan-14</b>	<b>Oct-14</b>	<b>Feb-15</b>	<b>Aug-15</b>	<b>Sep-15</b>	<b>Sep-16</b>
 I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Mar-15	Jan-18	May-18	Aug-18	Dec-18	Apr-25
Project C & D	\$229.4	<b>Oct-11</b>	<b>May-14</b>	<b>Mar-15</b>	<b>Aug-18</b>	<b>May-19</b>	<b>Aug-19</b>	<b>Dec-19</b>	<b>Apr-25</b>
 I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Nov-23
Project C & D	\$230.3	<b>Oct-11</b>	<b>May-14</b>	<b>Nov-14</b>	<b>Dec-17</b>	<b>Jun-18</b>	<b>Nov-18</b>	<b>Mar-19</b>	<b>Dec-24</b>
 I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Oct-24
Project C	\$227.3	<b>Oct-11</b>	<b>May-14</b>	<b>Mar-15</b>	<b>May-19</b>	<b>Apr-20</b>	<b>May-20</b>	<b>Sep-20</b>	<b>Jul-25</b>
 I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project C	\$12.4	N/A	N/A	<b>Mar-23</b>	<b>Oct-24</b>	<b>Dec-24</b>	<b>Mar-25</b>	May-25	Feb-27
 I-5, I-5/El Toro Road Interchange	TBD	Apr-17	Apr-26	TBD	TBD	TBD	TBD	TBD	TBD
Project D	TBD	<b>Apr-17</b>	<b>Feb-27</b>	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, I-405 to Yale Avenue	\$280.6	May-14	Aug-18	Oct-21	May-24	May-25	Dec-25	Feb-26	Sep-29
Project B	\$388.1	<b>May-14</b>	<b>Jan-20</b>	<b>Oct-21</b>	<b>Nov-24</b>	<b>May-25</b>	<b>Jul-25</b>	<b>Nov-25</b>	<b>Jun-29</b>
 I-5, Yale Avenue to SR-55	\$238.3	May-14	Aug-18	May-21	Feb-25	Aug-25	Nov-25	Mar-26	Sep-29
Project B	\$327.9	<b>May-14</b>	<b>Jan-20</b>	<b>May-21</b>	<b>Aug-24</b>	<b>May-25</b>	<b>Sep-25</b>	<b>Jan-26</b>	<b>Nov-29</b>
 I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Apr-21
Project A	\$38.9	<b>Jun-11</b>	<b>Apr-15</b>	<b>Jun-15</b>	<b>Jun-17</b>	<b>Dec-17</b>	<b>Mar-18</b>	<b>Nov-18</b>	<b>Jan-21</b>
 SR-55, I-405 to I-5	\$410.9	Feb-11	Nov-13	Sep-17	Apr-20	Dec-20	Apr-21	May-22	Feb-27
Project F	\$505.7	<b>May-11</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Apr-20</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>May-22</b>	<b>Feb-27</b>



## Capital Action Plan

Status Through March 2025













Updated: April 8, 2025

Capital Projects		Cost	Schedule							
		Baseline/Forecast	Plan/Forecast							
		(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
	SR-55, I-5 to SR-91	\$131.3	Dec-16	Jan-20	Aug-22	Jul-25	Dec-25	Apr-26	Jul-26	Oct-29
	Project F	\$202.1	Dec-16	Mar-20	Aug-22	Dec-25	Sep-26	Jan-27	Apr-27	Jul-30
	SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	\$71.8	Apr-16	Dec-18	Mar-22	Jul-24	Feb-25	Jul-25	Nov-25	Jun-28
	Project G	\$135.4	Apr-16	Mar-19	Mar-22	Aug-24	Apr-25	Jun-25	Aug-25	Jun-28
	SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Sep-14
	Project G	\$38.0	Apr-08	Nov-09	Aug-08	Dec-10	Apr-11	Jul-11	Oct-11	Apr-15
	SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project G	N/A	N/A	N/A	May-09	Jul-10	Jun-17	Jul-17	Sep-17	Jun-18
	SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	May-14
	Project G	\$52.3	Aug-05	Dec-07	Feb-08	Jul-09	Dec-09	May-10	Oct-10	Nov-14
	SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Sep-14
	Project G	\$54.1	Aug-05	Dec-07	Feb-08	Jul-09	Mar-10	May-10	Oct-10	May-14
	SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project G	N/A	N/A	N/A	Oct-14	Aug-17	Dec-17	Jan-18	Feb-18	Apr-19
	SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Project G	TBD	Jul-26	Mar-29	TBD	TBD	TBD	TBD	TBD	TBD
	SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Apr-16
	Project H	\$59.2	Jul-07	Jun-10	Mar-10	Apr-12	Aug-12	Oct-12	Jan-13	Jun-16
	SR-91 (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project H	N/A	N/A	N/A	Nov-14	Aug-16	Dec-16	Feb-17	Mar-17	Nov-17
	SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$108.6	Jan-15	Oct-18	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Mar-28
	Project I	\$140.7	Jan-15	Jun-20	Mar-20	Mar-23	May-24	Jun-24	Jan-25	Mar-28
	SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Jan-15	Oct-18	Jun-20	Jul-23	Feb-24	Mar-24	Jul-24	Mar-28
	Project I	\$380.7	Jan-15	Jun-20	Jun-20	Jan-25	Sep-25	Dec-25	Mar-26	Jul-30
	SR-91, Acacia Street to La Palma Ave (Segment 3)	\$147.7	Jan-15	Oct-18	Nov-20	Apr-24	Nov-24	Jan-25	Apr-25	Sep-28
	Project I	\$257.5	Jan-15	Jun-20	Nov-20	Oct-24	May-25	Sep-25	Dec-25	Jun-29
	SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-08	Jul-11	Jul-11	Mar-13	Jul-13	Aug-13	Oct-13	Jul-16
	Project I	\$42.5	Jul-08	May-11	Jun-11	Feb-13	Apr-13	Jun-13	Oct-13	Jul-16
	SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jul-09	Jun-09	Jan-11	Apr-11	Jun-11	Sep-11	Dec-12
	Project J	\$79.7	Jul-07	Apr-09	Apr-09	Aug-10	Dec-10	Feb-11	May-11	Mar-13

## Capital Action Plan

Status Through March 2025














Updated: April 8, 2025

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 SR-91, SR-55 to SR-241 (Landscape) Project J	N/A N/A	N/A N/A	N/A N/A	N/A May-12	N/A Feb-13	N/A Apr-13	N/A Jul-13	N/A Oct-13	N/A Feb-15
 SR-91 Eastbound (EB), SR-241 to SR-71 Project J	\$104.5 \$57.8	Mar-05 Mar-05	Dec-07 Dec-07	Jul-07 Jul-07	Dec-08 Dec-08	Mar-09 May-09	May-09 Jun-09	Jul-09 Aug-09	Nov-10 Jan-11
 SR-91 EB Corridor Operations Project (SR-241 to SR-71) Project J	TBD TBD	N/A Jun-23	N/A Sep-25	N/A TBD	N/A TBD	N/A TBD	N/A TBD	N/A TBD	N/A TBD
91 Express Lanes to SR-241 Toll Connector	TBD TBD	N/A Nov-13	N/A Jan-20	N/A Jun-16	N/A May-25	N/A Jun-25	N/A Aug-25	N/A Oct-25	N/A Jan-29
 I-405, I-5 to SR-55 Project L	TBD TBD	Dec-14 Dec-14	Jul-18 Aug-18	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 I-405, SR-55 to I-605 (Design-Build) Project K	\$2,160.0 \$2,160.0	Mar-09 Mar-09	Mar-13 May-15	Mar-14 Mar-14	Nov-15 Nov-15	Feb-16 Feb-16	Mar-16 Mar-16	Nov-16 Nov-16	Feb-24 Feb-24
I-405/SR-22 HOV Connector	\$195.9 \$120.8	N/A N/A	N/A N/A	Sep-07 Sep-07	Sep-09 Jun-09	Mar-10 Sep-09	May-10 Feb-10	Aug-10 Jun-10	Aug-14 Mar-15
I-405/I-605 HOV Connector	\$260.4 \$172.6	N/A N/A	N/A N/A	Sep-07 Sep-07	Sep-09 Sep-09	Mar-10 Feb-10	May-10 May-10	Oct-10 Oct-10	Jan-15 Mar-15
 I-605, I-605/Katella Interchange Project M	\$29.0 \$53.0	Aug-16 Aug-16	Nov-18 Oct-18	Dec-20 Dec-20	Mar-23 Jan-23	Jul-23 Oct-24	Nov-23 Nov-24	Feb-24 Apr-25	Nov-25 Jan-27
<b>Grade Separation Projects:</b>									
 Sand Canyon Avenue Railroad Grade Separation Project R	\$55.6 \$61.9	N/A N/A	Sep-03 Sep-03	Jan-04 Jan-04	Jul-10 Jul-10	Jul-10 Jul-10	Oct-10 Oct-10	Feb-11 Feb-11	May-14 Jan-16
 Raymond Avenue Railroad Grade Separation Project O	\$77.2 \$126.2	Feb-09 Feb-09	Nov-09 Nov-09	Mar-10 Mar-10	Aug-12 Dec-12	Nov-12 Jul-13	Feb-13 Oct-13	May-13 Feb-14	Aug-18 May-18
 State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$73.6 \$99.6	Dec-08 Dec-08	Jan-11 Apr-11	Jul-06 Jul-06	Aug-12 Feb-13	Nov-12 May-13	Feb-13 Sep-13	May-13 Feb-14	May-18 Mar-18
 Placentia Avenue Railroad Grade Separation Project O	\$78.2 \$64.5	Jan-01 Jan-01	May-01 May-01	Jan-09 Jan-09	Mar-10 Jun-10	May-10 Jan-11	Mar-11 Mar-11	Jun-11 Jul-11	Nov-14 Dec-14
 Kraemer Boulevard Railroad Grade Separation Project O	\$70.4 \$63.8	Jan-01 Jan-01	Sep-09 Sep-09	Jan-09 Feb-09	Jul-10 Jul-10	Jul-10 Jan-11	Apr-11 Jun-11	Aug-11 Sep-11	Oct-14 Dec-14
 Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4 \$105.9	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Dec-11 Oct-11	Dec-11 Apr-12	Feb-12 Sep-12	May-12 Jan-13	Sep-16 Oct-16

## Capital Action Plan

Status Through March 2025

Updated: April 8, 2025

	Capital Projects	Cost	Schedule							
		Baseline/Forecast	Plan/Forecast							
		(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
	Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Sep-09	Feb-09	Dec-11	Mar-12	May-12	Aug-12	May-16
	Project O	\$96.6	Jan-01	Sep-09	Feb-09	Jul-11	Jun-12	Oct-12	Feb-13	Oct-16
	Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Sep-09	Feb-09	Oct-11	Oct-12	Feb-13	May-13	Mar-17
	Project O	\$110.7	Jan-01	Sep-09	Feb-09	Jan-13	Apr-13	Sep-13	Nov-13	Jun-17
	17th Street Railroad Grade Separation	TBD	Oct-14	Jun-16	TBD	TBD	TBD	TBD	TBD	TBD
	Project R	TBD	Oct-14	Nov-17	TBD	TBD	TBD	TBD	TBD	TBD
	Transit Projects:									
	Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11
	Project R	\$90.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11
	San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Jul-12	Oct-12	Jan-14
	Project R	\$5.0	Sep-10	Jul-11	Feb-12	Jun-12	Jun-12	Oct-12	May-13	Mar-14
	Emergency Track Stabilization at Mile Post 206.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project R	\$23.3	N/A	N/A	N/A	N/A	N/A	Sep-22	Oct-22	Aug-23
	San Juan Capistrano Passing Siding	\$25.3	Aug-11	Jan-13	Mar-15	May-16	May-16	Aug-16	Dec-16	Feb-21
		\$33.2	Aug-11	Mar-14	Mar-15	Aug-18	Aug-18	Aug-18	Mar-19	Nov-20
	OC Streetcar	\$671.4	Aug-09	Mar-12	Feb-16	Sep-17	Oct-17	Dec-17	Aug-18	Mar-26
	Project S	\$671.4	Aug-09	Mar-15	Feb-16	Nov-17	Dec-17	Dec-17	Sep-18	Mar-26
	Transit Security and Operation Center	N/A	Jun-17	Jun-20	Jun-20	Oct-23	Nov-23	Jan-24	Sep-24	Sep-26
		\$77.8	Jun-17	Jun-20	Jun-20	Mar-24	Mar-24	Mar-24	Sep-24	Apr-27
	Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	May-07	Oct-08	Jan-11	TBD	TBD	TBD	TBD
	Project R	\$40.1	Jan-03	May-07	Oct-08	Feb-11	TBD	TBD	TBD	TBD
	Orange County Maintenance Facility - ON HOLD	TBD	Apr-20	Apr-22	TBD	TBD	TBD	TBD	TBD	TBD
	Project R	TBD	Apr-20	Nov-23	TBD	TBD	TBD	TBD	TBD	TBD
	Irvine Station Improvements - ON HOLD	TBD	Jan-22	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Project R	TBD	Jan-22	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Anaheim Canyon Station	\$27.9	Jan-16	Dec-16	Mar-19	May-19	May-19	Jul-19	Nov-19	Jan-23
		\$34.2	Jan-16	Jun-17	Mar-18	Oct-20	Oct-20	Oct-20	Mar-21	Jan-23
	Orange Station Parking Expansion	\$33.2	Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Feb-19
		\$30.9	Dec-09	May-16	Nov-10	Apr-16	Jul-16	Jul-16	Jun-17	Feb-19

## Capital Action Plan

Status Through March 2025

Updated: April 8, 2025

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	Jan-12	Dec-13	Dec-13	Jun-14	Sep-14	Mar-17
	\$4.2	N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Apr-15	May-19
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Feb-12	Jun-09	May-12	May-12	May-12	Sep-12	Dec-14

Note: Costs associated with landscape projects are included in respective freeway projects.

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

**Begin Environmental:** The date work on the environmental clearance, project report, or preliminary engineering phase begins.

**Complete Environmental:** The date environmental clearance and project approval is achieved.

**Begin Design:** The date final design work begins, or the date when a design-build contract begins.

**Complete Design:** The date final design work is 100 percent complete and approved.

**Construction Ready:** The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

**Advertise for Construction:** The date a construction contract is both funded and advertised for bids.

**Award Contract:** The date the construction contract is awarded.

**Construction Complete:** The date all construction work is completed and the project is open to public use.

### Acronyms

I-5 - Santa Ana Freeway (Interstate 5)

SR-73 - San Joaquin Freeway (State Route 73)

I-405 - San Diego Freeway (Interstate 405)

SR-55 - Costa Mesa Freeway (State Route 55)

SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)

SR-71 - Corona Expressway (State Route 71)

I-605 - San Gabriel River Freeway (Interstate 605)

SR-22 - Garden Grove Freeway (State Route 22)

HOV - high-occupancy vehicle

## Capital Programs Division

### Fiscal Year 2024-25 Performance Metrics Through March 2025

#### Begin Environmental

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
No "Begin Environmental" milestones scheduled for FY 2024-25									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

#### Complete Environmental

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-91 Eastbound Corridor Operations Project (SR-241 to SR-71)							X		
Total Forecast/Actual	0	0	0	0	0	0	1	0	1

#### Begin Design

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
No "Begin Design" milestones scheduled for FY 2024-25									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

#### Complete Design

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-57 Northbound, Orangewood Avenue to Katella Avenue	X	✓							
I-5, Yale Avenue to SR-55	X	✓							
SR-91, Acacia Street to La Palma Avenue (Segment 3)			X	✓					
I-5, I-405 to Yale Avenue			X	✓					
I-5, SR-73 to El Toro Road (Landscape)				✓	X				
SR-91, La Palma Avenue to SR-55 (Segment 2)					X	✓			
91 Express lanes to SR-241 Toll Connector					X				
Total Forecast/Actual	2	2	2	3	3	1	0	0	7

#### Construction Ready

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
I-605, I-605/Katella Interchange	X			✓					
SR-57 Northbound, Orangewood Avenue to Katella Avenue					X				
I-5, Yale Avenue to SR-55					X				
I-5, I-405 to Yale Avenue							X		
SR-91, Acacia Street to La Palma Avenue (Segment 3)							X		
91 Express lanes to SR-241 Toll Connector							X		
I-5, SR-73 to El Toro Road (Landscape)				✓			X		
Total Forecast/Actual	1	0	0	2	2	0	4	0	7

# Capital Programs Division

## Fiscal Year 2024-25 Performance Metrics Through March 2025

### Advertise Construction

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
I-605, I-605/Katella Interchange			X	✓					
Total Forecast/Actual	0	0	1	1	0	0	0	0	1

### Award Contract

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
Transit Security and Operations Center	X	✓							
SR-91, SR-55 to Lakeview Avenue (Segment 1)			X		✓				
I-605, I-605/Katella Interchange					X				
Total Forecast/Actual	1	1	1	0	1	1	0	0	3

### Complete Construction

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
I-5, Oso Parkway to Alicia Parkway			X	✓					
I-5, SR-73 to Oso Parkway					X				
I-5, Alicia Parkway to El Toro Road					X				
Total Forecast/Actual	0	0	1	1	2	0	0	0	3

Totals	4	3	5	7	8	2	5	0	22
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**Begin Environmental:** The date work on the environmental clearance, project report, or preliminary engineering phase begins.

**Complete Environmental:** The date environmental clearance and project approval is achieved.

**Begin Design:** The date final design work begins or the date when a design-build contract begins.

**Complete Design:** The date final design work is 100 percent complete and approved.

**Construction Ready:** The date contract bid documents are ready for advertisement, right-of-way certified, all agreements executed, and contract constraints are cleared.

**Advertise for Construction:** The date a construction contract is both funded and advertised for bids.

**Award Contract:** The date the construction contract is awarded.

**Construction Complete:** The date all construction work is completed and the project is open to public use.

#### Acronyms

SR-91 - Riverside Freeway (State Route 91)

SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)

SR-71 - Corona Expressway (State Route 71)

SR-57 - Orange Freeway (State Route 57)

I-5 - Santa Ana Freeway (Interstate 5)

SR-55 - Costa Mesa Freeway (State Route 55)

I-405 - San Diego Freeway (Interstate 405)

SR-73 - San Joaquin Freeway (State Route 73)

ADA - Americans with Disability Act

I-605 - San Gabriel River Freeway (Interstate 605)

X = milestone forecast in quarter

✓ = milestone accomplished in quarter

# **Third Quarter Fiscal Year 2024-25 Capital Action Plan and Performance Metrics**



# Major Projects Status



## CAPITAL ACTION PLAN PROGRESS

### Measure M2 and Other Major Projects

- A** I-5 (SR-55 to SR-57)
  - B** I-5 (I-405 to SR-55)
  - C D** I-5 (Avenida Pico to San Juan Creek Road)
  - C D** I-5 (SR-73 to El Toro Road)
  - D** I-5/Ortega Highway Interchange Improvements
  - D** I-5/El Toro Road Interchange Improvements
  - E** SR-22 Access Improvements
  - F** SR-55 (I-405 to I-5)
  - F** SR-55 (I-5 to SR-91)
  - G** SR-57 NB (Orangewood Avenue to Katella Avenue)
  - G** SR-57 NB (Katella Avenue to Lincoln Avenue)
  - G** SR-57 NB (Orangethorpe Avenue to Lambert Road)
  - G** SR-57 NB (Lambert Road to County Line)
  - H** SR-91 WB (I-5 to SR-57)
  - I** SR-91 (SR-57 to SR-55)
  - I** SR-91 WB (Tustin Avenue to SR-55)
  - J** SR-91 (SR-55 to SR-71)
  - J** SR-91 (SR-241 to County Line)\*
  - K** I-405 (SR-73 to I-605)
  - L** I-405 (I-5 to SR-55)
  - M** I-605/Katella Avenue Interchange Improvements
  - N** Freeway Service Patrol (not mapped)
  - A-M** Environmental Mitigation Program
    - 1,300 acres of permanent open space
    - 12 restoration projects totaling nearly 350 acres (not mapped)
- \*Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.
- OTHER PROJECTS**
- TSOC**
  - I-5, County Line to Avenida Pico**
  - SR-91 Express Lanes to SR-241 Toll Connector**



# Capital Action Plan (CAP) Metrics Update

- Twelve of 17 major delivery milestones planned through the third quarter fiscal year 2024-25 were achieved
- Completed milestones in the third quarter include
  - Complete design for SR-91 from La Palma Avenue to SR-55
  - Award contract for SR-91 between SR-55 and Lakeview Avenue
- Missed milestones in the third quarter include
  - Complete design for SR-91 to SR-241 Express Connector
  - Construction ready for SR-57 between Orangewood Avenue and Katella Avenue
  - Construction ready for the I-5 between Yale Avenue and SR-55
  - Award contract for I-605 Katella Avenue Interchange
  - Complete construction for I-5 between SR-73 and Alicia Parkway
  - Complete construction for I-5 between Alicia Parkway and El Toro Road

# Third Quarter CAP Updates

## Forecast Milestones Updated on Nine Projects

- Complete construction on I-5 from Alicia Parkway to El Toro Road shifted one month to July 2025.
- Award contract and complete construction for I-5 from SR-73 to El Toro Road landscaping to reflect California Department of Transportation (Caltrans) delivery schedule.
- Construction ready, advertise construction, award contract, and construction complete for the I-5 Yale Avenue to SR-55 adjusted due to the actual construction ready milestone date.
- Complete construction for SR-91 between SR-55 and Lakeview Avenue adjusted for the actual award contract date.
- Complete environmental for the SR-91 Eastbound Corridor Operations Project between SR-241 and SR-71 adjusted based on Riverside County Transportation Commission complete environmental schedule.
- Complete design, construction ready, advertise construction, award contract, and complete construction for the SR-91 to SR-241 Express Connector was revised based on the Transportation Corridor Agency's delivery schedule.
- Award contract and complete construction for the I-605 Katella Interchange adjusted based on the anticipated award contract schedule.
- Construction complete was adjusted for the OC Streetcar to reflect the February 2025 Board approved funding and schedule update.
- Complete construction for the Transit Security and Operations Center was revised to account for the actual award contract completion.

## Forecast Cost Updated on One Project

- Cost for the OC Streetcar was revised to reflect the February 2025 Board of Directors-approved funding and schedule update.

# Risks

- Continued higher escalation of cost estimates and bid pricing
- Caltrans California Price Index for selected highway construction items for the first quarter of calendar year 2025 increased significantly
  - Cost increases were recorded in Roadway Excavation, Aggregate Base, Asphalt Concrete Pavement, Portland Cement Concrete (Pavement), Portland Cement Concrete (Structure), Bar Reinforcing Steel, and Structural Steel in the first quarter

<b>Index this quarter</b>	<b>210.72</b>
Point change from last quarter	<b>+69.40</b>
Percentage change from last quarter	<b>+49.10%</b>
<b>Index last 12 months</b>	<b>159.38</b>
Point change from previous report	<b>+0.67</b>
Percentage change from previous report	<b>+0.40%</b>



**May 5, 2025**

**To:** Executive Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Measure M2 Eligibility for the City of Orange

### **Overview**

In 2024, the Orange County Transportation Authority Board of Directors found the City of Orange ineligible to receive Measure M2 net revenues due to inadequate documentation demonstrating that it had spent sufficient discretionary funds on streets and roads in fiscal year 2022-23 to meet the Measure M2 Maintenance of effort requirement. A recent review of the City of Orange's Measure M2 maintenance of effort expenditures for fiscal year 2023-24 has determined that the City of Orange has met its minimum maintenance of effort expenditure requirement, including the shortfall amount. Board of Directors' approval to reinstate the City of Orange's Measure M2 eligibility status and reinstate Measure M2 payments is recommended.

### **Recommendations**

- A. Approve the City of Orange as eligible to receive Measure M2 net revenues.
- B. Direct staff to reinstate payments to the City of Orange for Measure M2 net revenues, which were held during its period of ineligibility (less fiscal year 2023-24 audit costs).

### **Background**

The Measure M2 (M2) Ordinance outlines eligibility requirements that each local jurisdiction must continually satisfy to receive net revenues from the M2 Program. One of the requirements is that a local jurisdiction must continue to invest a certain level of discretionary revenues - such as general funds - that support streets and roads activities to be deemed eligible for any M2 funding. This requirement is rooted in the California Public Utilities Code (PUC) 180001, which enables local transportation authorities to seek voter approval for sales tax measures. The PUC states the intent of the legislature is that funds generated through a sales tax ordinance "shall supplement existing local

revenues used for public transportation purposes and that local governments maintain their existing commitment of local funds for transportation purposes” (PUC 180200). This requirement is referred to as maintenance of effort (MOE).

In June 2022, the City of Orange (City) provided an MOE certification to the Orange County Transportation Authority (OCTA) as part of its M2 eligibility verification package submittal. The certification stated that the City had budgeted sufficient expenditures for fiscal year (FY) 2022-23, consistent with the following requirement:

“The Authority shall not allocate any net revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes, at least equal to the level of its maintenance of effort requirement.”

Per M2 MOE requirements, the City was required to spend \$3,392,885 using discretionary, non-Measure M2, revenues toward streets and roads-related costs. According to the expenditure report for FY 2022-23 that was approved by the city council and submitted to OCTA, the City spent \$3,852,679 toward the MOE requirement. However, an independent review of the City’s expenditures, through the annual eligibility process conducted in coordination with the Taxpayer Oversight Committee (TOC) and Internal Audit, identified indirect costs allocated to MOE that could not be verified based on a reasonable methodology. After the removal of the unsupported indirect costs, the City fell short of meeting the MOE requirement for FY 2022-23 by \$1,116,949. Consistent with M2 Ordinance requirements, on May 28, 2024, the OCTA Board of Directors (Board) found the City ineligible to receive M2 net revenues. As part of that action, the Board specified that the following actions be completed by OCTA staff in conjunction with the finding of ineligibility:

- Suspend payments to the City of net M2 revenues until the City is deemed eligible;
- Require the City to demonstrate supplemental investment of discretionary transportation funds (above the required MOE benchmark), equal to the amount of discretionary investment that was short of the MOE benchmark in FY 2022-23 (\$1,116,949) as an additional condition of accessing suspended funds;
- Deduct future review or audit costs related to the verification of MOE and supplemental investment of discretionary funds from any future net M2 payments to the City; and,
- Authorize the Chief Executive Officer to negotiate and execute an agreement with the City outlining the process to re-establish eligibility.

***Discussion***

Throughout fall 2024 and early 2025, OCTA worked with City staff to implement and address the required actions. An independent auditing firm, Crowe, LLP (auditors), applied agreed-upon procedures (AUP) to the City's M2 MOE-related expenditures for FY 2023-24 to determine whether the City had met its obligation under the settlement agreement. The auditors reported that, based on the AUP, the City had incurred sufficient expenditures to meet its obligations under the settlement agreement, which included the City's MOE requirement plus the shortfall amount in MOE expenditures identified in FY 2022-23. These findings were presented to the Finance and Administration Committee on April 23, 2025, and to the Board on April 28, 2025.

**Other Eligibility Requirements**

M2 includes 13 eligibility requirements that all 35 local agencies are required to comply with in order to receive M2 net revenues, and agencies must submit all required documents by June 30. The City submitted all required M2 eligibility verification documents prior to the deadline.

These documents were received and reviewed by OCTA staff, the TOC's Annual Eligibility Review Subcommittee, and the full TOC. In February 2025, M2 eligibility findings for FY 2024-25 were advanced to the OCTA Regional Transportation Planning Committee and Board for consideration and approval. However, due to the City's ineligibility, the Board elected to only receive and file the City's M2 eligibility verification documents until the resolution of the prior year's MOE shortcomings had been remedied.

Based on the results of the AUP of the City's MOE expenditures for FY 2023-24, the City has met its obligation under the settlement agreement, and it is recommended that the City now be found eligible again to receive M2 net revenues and the suspended M2 funds that were being held in reserve during the period of the City's ineligibility (less the FY 2023-24 AUP costs). These actions, if approved by the Board, would conclude the City's period of M2 ineligibility and would also place the City back on an eligibility review cycle consistent with all other eligible Orange County local agencies.

***Summary***

Auditors have applied AUP to the City's M2 MOE-related expenditures for FY 2023-24 and have reported that the City has made up the FY 2022-23 MOE as well as delivered its current year MOE. Staff is recommending that the City's eligibility be reinstated and that OCTA reinitiate payments to the City that were held during the period of ineligibility (less FY 2023-24 AUP costs). If approved by the Board, these actions would conclude the City's period of M2 ineligibility and place the City back on an eligibility cycle consistent with other eligible local agencies.

***Attachment***

- A. Orange County Local Transportation Authority Measure M2 Local Fair Share City of Orange FY24 Agreed-Upon Procedures Report Year Ended June 30, 2024

**Prepared by:**

Adriann Cardoso  
Capital Programming Manager  
(714) 560-5915

**Approved by:**

Rose Casey  
Executive Director, Planning  
(714) 560-5729

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE  
CITY OF ORANGE FY24**

**AGREED-UPON PROCEDURES REPORT**

**Year Ended June 30, 2024**



**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE  
CITY OF ORANGE FY24**

**AGREED-UPON PROCEDURES REPORT**

**Year Ended June 30, 2024**

The city of Orange was selected at the direction of the Orange County Local Transportation Authority Board of Directors to perform agreed-upon procedures for the fiscal year ended June 30, 2024.

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF ORANGE

Board of Directors  
Orange County Local Transportation Authority and  
the Taxpayers Oversight Committee of the  
Orange County Local Transportation Authority  
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Orange's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain the Settlement Agreement between OCTA and the City and identify the required minimum amount to be spent on MOE expenditures for FY24.

Findings: We obtained the Settlement Agreement between the City of Orange and Orange County Transportation Authority (OCTA) dated July 10, 2024. Per the Settlement Agreement, the City was required to spend a minimum of \$4,624,214 in MOE expenditures, which was calculated by the sum of the fiscal year 2023-2024 required MOE of \$3,507,565 and the short fall identified in the Settlement Agreement of \$1,116,649. We obtained documentation of minimum MOE expenditures from the City to OCTA and found no exceptions.

2. Describe which funds the City used to track all street and road expenditures and inquire how the City identifies MOE expenditures in the general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, departments and object codes. The City recorded its MOE expenditures in its General Fund (100), followed by various department codes and object codes. No exceptions were found as a result of this procedure.

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(Continued)

3. Obtain the details of MOE expenditures for the Fiscal Year ended June 30, 2024, and agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$5,538,276 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,624,214. We agreed the total expenditures of \$5,538,276 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

4. Select a sample of MOE expenditures from the City's general ledger expenditure detail, ensuring adequate coverage. Describe the number and percentage of total expenditures selected for testing. For each item selected, perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 27 direct MOE expenditures totaling \$2,231,399, which represented approximately 48% of direct MOE expenditures of \$4,626,214 for the fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. We identified \$376,650 of direct charges that should have been reported as indirect costs. These represented allocation charges for labor related to street and road projects. No other exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, Line 1). Explain any differences. If applicable, obtain details of the indirect costs charged and select a sample of charges for inspection, ensuring adequate coverage. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: During testing of direct costs at Procedure #4, we identified an additional \$376,650 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits. We determined that these indirect MOE costs were based upon a reasonable and appropriate methodology. Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$912,031 of indirect costs (excluding the additional \$376,650 noted in the previous paragraph) per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$235,589 representing 26% of the total reported MOE indirect costs. Upon inspection, we found these charges were for labor charges, membership dues for public works associations and charges for public works conferences that were directly identifiable as street and road project costs and did not meet the definition of Indirect Costs (Overhead) based on the Guidelines Relating to Gas Tax Expenditures. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

6. Aggregate any expenditures that were not properly classified per procedures (4) and (5) above and report the remaining total MOE expenditures after the removal of such items by comparing to the dollar amount required to be spent per procedure (1) above.

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(Continued)

Findings: Total reported expenditures on the M2 report totaled \$5,161,626, which exceeded the total dollar amount required to be spent per procedure (1) of \$4,624,214. The \$376,650 of MOE direct charges should have been reported as indirect costs and the \$235,589 of MOE indirect charges should have been reported as direct costs, but they were both for local street and road projects and were allowable per the Ordinance. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California  
April 7, 2025

CITY OF ORANGE, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2024  
(Unaudited)

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<b>SCHEDULE A</b>	
<b>Maintenance of Effort (MOE) Expenditures:</b>	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 912,031
<b>Construction &amp; Right-of-Way</b>	
Street Reconstruction	\$ 320,153
Signals, Safety Devices, & Street Lights	195,753
Storm Drains	56,498
<b>Total Construction</b>	<b>\$ 572,404</b>
<b>Maintenance</b>	
Overlay & Sealing	\$ 1,290,131
Street Lights & Traffic Signals	1,862,108
Other Street Purpose Maintenance	901,602
<b>Total Maintenance</b>	<b>\$ 4,053,841</b>
<b>Total MOE Expenditures</b>	<b>\$ 5,538,276</b>
<b>Measure M2 Local Fair Share Expenditures (Schedule 4):</b>	
13115 - Pavement Management Program Survey	\$ 63,147
13120 - Pavement Management Program	3,465,005
14040 - 292 N. Main Street	3,261
16302 - Minor Traffic Control Devices - Various	21,872
16304 - Biennial Traffic Signal Coordination	6,000
20329 - Chapman Batavia Left Turn Mod	159,004
20374 - Streetlight Pole Replacement Program	19,503
20443 - Orange Community Shuttle Feasibility Study	6,489
30167 - Katella Ave Street Rehabilitation	63,950
30168 - Walnut Ave Infrastructure Improvement	162.97
00000 - Other Street Purpose Maintenance	601,620
<b>Total Measure M2 Local Fair Share Expenditures</b>	<b>\$ 4,410,013</b>
<b>Total MOE and Measure M2 Local Fair Share Expenditures</b>	<b>\$ 9,948,289</b>

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Note: The above amounts were taken directly from the financial records of the City of Orange and were not audited.



April 7, 2025

Board of Directors  
Orange County Local Transportation Authority  
and the Taxpayers Oversight Committee of the  
Orange County Local Transportation Authority  
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Orange as of and for the fiscal year ended June 30, 2024.

**Procedure #4**

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 27 direct MOE expenditures totaling \$2,231,399, which represented approximately 48% of direct MOE expenditures of \$4,626,214 for the fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. We identified \$376,650 of direct charges that should have been reported as indirect costs. These represented allocation charges for labor related to street and road projects. No other exceptions were found as a result of this procedure.

City's Response: The City acknowledges the finding that costs were incorrectly categorized as indirect costs and should have been reported as direct costs. Staff will implement procedures to ensure proper reporting of direct and indirect costs.

**Procedure #5**

Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, Line 1). Explain any differences. If applicable, obtain details of the indirect costs charged and select a sample of charges for inspection, ensuring adequate coverage. Inspect supporting documentation for reasonableness and appropriate methodology.



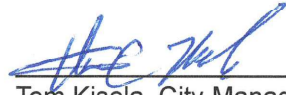
## City of Orange

Finance Department  
300 E. Chapman Ave.  
Orange, CA 92866

Findings: During testing of direct costs at Procedure #4, we identified an additional \$376,650 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits. We determined that these indirect MOE costs were based upon a reasonable and appropriate methodology.

Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$912,031 of indirect costs (excluding the additional \$376,650 noted in the previous paragraph) per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$235,589 representing 26% of the total reported MOE indirect costs. Upon inspection, we found these charges were for labor charges, membership dues for public works associations and charges for public works conferences that were directly identifiable as street and road project costs and did not meet the definition of Indirect Costs (Overhead) based on the Guidelines Relating to Gas Tax Expenditures. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response: The City acknowledges the finding that costs were incorrectly categorized as indirect costs and should have been reported as direct costs. Staff will implement procedures to ensure proper reporting of direct and indirect costs.

  
Tom Kisela, City Manager

  
Trang Nguyen, Finance Director

  
Christopher Cash, Public Works Director





**May 5, 2025**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Measure M2 Eligibility for the City of Huntington Beach

**Overview**

The Orange County Transportation Authority's Internal Auditor issued results of an independent auditor's report on applying agreed-upon procedures related to the City of Huntington Beach's compliance with the Measure M2 requirements for fiscal year 2023-24. The independent auditor's report found that the City of Huntington Beach had used Measure M2 Local Fair Share funds for expenses that were deemed unallowable per the Measure M2 Ordinance No. 3. Based on this information, recommendations to address the independent auditor's report and findings are presented.

**Recommendations**

- A. Seek reimbursement of \$29,249 from the City of Huntington Beach and find the City of Huntington Beach ineligible to receive Measure M2 net revenues for five years pursuant to Section 10.4 of Ordinance No. 3.
- B. Authorize the Internal Auditor to engage independent auditor services to apply agreed-upon procedures to review the City of Huntington Beach's Measure M2 Local Fair Share program and other expenditures for fiscal year 2024-25, fiscal year 2025-26, fiscal year 2026-27, fiscal year 2027-28, and fiscal year 2028-29, to enable the City of Huntington Beach to reestablish eligibility and authorize staff to deduct the review costs from any future net Measure M2 payments to the City of Huntington Beach.
- C. Authorize the Chief Executive Officer to negotiate and execute an agreement with the City of Huntington Beach to formalize the required actions to reestablish eligibility and other terms.



***Background***

In July 2006, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved and adopted the Renewed Measure M (M2) Ordinance No. 3 (M2 Ordinance). The M2 Ordinance became effective on November 8, 2006, after voters approved the one-half cent sales tax for transportation improvements. OCTA is designated as responsible for administering M2 and ensuring that OCTA's commitment to voters is followed, including numerous specific requirements, safeguards, and transparency provisions.

The M2 Ordinance requires local jurisdictions to annually submit an expenditure report that details all M2 net revenues, interest earned, expenditures, and expenditures of earned interest. Local jurisdictions' expenditure reports are signed by their respective Finance Director, adopted by the City Council/Board of Supervisors, and submitted to OCTA within six months of the local jurisdiction's fiscal year (FY) end.

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee selects specific local jurisdictions for application of agreed-upon procedures (AUP) by OCTA's independent auditing firm. The AUP includes testing of expenditures for compliance with program requirements, review of indirect costs for adequate support and reasonableness, testing to ensure allocation of interest, and testing of the annual expenditure reports for accuracy. The independent auditing firm's report helps determine local jurisdictions' level of compliance with certain M2 Ordinance provisions.

For FY 2023-24, one of the local jurisdictions selected by the Subcommittee for review of the M2 Local Fair Share (LFS) program funding was the City of Huntington Beach (City). Crowe, LLP (Crowe), OCTA's independent auditing firm, conducted interviews of City finance and program-related staff, and applied the AUP. The results of the effort were presented to the Finance and Administration Committee on April 23, 2025, and to the Board on April 28, 2025. Crowe reported one notable finding: the City reported LFS expenditures of \$29,249 that were not allowable per the M2 Ordinance. The City acknowledged the error and indicated that they have made a journal entry to refund the unallowed LFS amount. However, this does not satisfy the Measure M2 Ordinance provision that the funds must be repaid to OCTA.

OCTA continues to provide reminders and guidance through guidelines, eligibility workshops, individual meetings and annual M2 Finance Director Workshops. Despite these efforts, this is the second time that a city has had an AUP report finding that LFS expenditures were not allowable.

***Discussion***

Continued investment in Orange County's transportation improvements is the cornerstone of M2. The M2 LFS program provides 18 percent of M2 net revenues to eligible local jurisdictions for use on allowable transportation planning and implementation activities. OCTA, as the M2 administrator, is accountable to the taxpayers on the uses of M2 revenues.

Crowe's AUP report, along with the City's response, is included as Attachment A; specifically, the finding pertains to Procedure 8. The City erroneously applied payroll charges of \$29,249 to LFS for an employee who does not work in transportation; therefore, the use of LFS for this purpose is deemed unallowable, per the M2 Ordinance.

The M2 Ordinance includes specific language to address safeguards related to the unauthorized use of M2 net revenues. Section 10.4 of the M2 Ordinance (Attachment B) states:

“No Net Revenues shall be used by a jurisdiction for other than transportation purposes authorized by the Ordinance. Any jurisdiction which violates this provision must fully reimburse the Authority for the Net Revenues misspent and shall be deemed ineligible to receive Net Revenues for a period of five (5) years.”

The expenditures identified in Crowe's findings are not authorized by the M2 Ordinance. OCTA staff has carefully reviewed, considered, and consulted with legal counsel on how to address this matter. To ensure OCTA maintains compliance with the M2 Ordinance and continues to uphold public trust, staff recommends the Board adhere to the provisions of Section 10.4 of the M2 Ordinance by:

- Seeking reimbursement from the City for the disallowed expenditures in the amount of \$29,249 (to be paid to OCTA by June 30, 2025) and,
- Finding the City ineligible to receive M2 net revenues for a period of five years, which would also exclude the City from participating in M2 competitive programs.

When the City is found ineligible, OCTA cannot remit M2 net revenues to the City. For previous M2 ineligibility findings involving other jurisdictions, the Board has suspended payments and held funds in reserve for that local jurisdiction. If the Board chooses to hold funds in reserve, the LFS and Senior Mobility Program funds will be withheld within the source programs and would only be released to the City once it has reestablished eligibility and demonstrated it was fulfilling M2

eligibility requirements throughout the five-year ineligibility period. This can be verified through future AUP reviews of FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29 expenditures. Costs incurred for these reviews are to be paid for by the City through a reduction in future M2 net revenues.

During the period of ineligibility, M2 net revenues the City has received to date can still be utilized. If requested, the City may be allowed to incur M2-eligible expenditures, at risk, and be able to apply the expense to future M2 net revenues. Should the City be approved for this option, these expenditures must be clearly identified in accounting records and included in annual M2 expenditure report submittals.

Pending Board action on this item, OCTA will work with the City to enter into an agreement that details the specific requirements and time frames for submittals to support the re-establishment of the City's eligibility. OCTA is committed to delivering the M2 promises made to voters and does not take this responsibility lightly. This includes adhering to the safeguards in the M2 Ordinance, which ensures transparency and accountability of taxpayer dollars.

### ***Summary***

A recent report conducted by an independent auditing firm disallowed LFS expenditures that were reported in the City's FY 2023-24 M2 Expenditure Report. The M2 Ordinance has specific language related to funds used for unauthorized purposes. Recommendations to address Crowe's report findings are presented for Board consideration and approval.

### ***Attachments***

- A. Crowe LLP, Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Huntington Beach
- B. Orange County Local Transportation Authority Ordinance No. 3, Safeguards of Use of Revenues Excerpt, Pages 5-6

#### **Prepared by:**



Adriann Cardoso  
Department Manager  
Capital Programming  
(714) 560-5915

#### **Approved by:**



Rose Casey  
Executive Director, Planning  
(714) 560-5729



Crowe LLP  
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF HUNTINGTON BEACH

Board of Directors  
Orange County Local Transportation Authority and  
the Taxpayers Oversight Committee of the  
Orange County Local Transportation Authority  
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Huntington Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, object, and business unit number. The City recorded its MOE expenditures in its General Fund (100) and Capital Projects Fund (314). Expenditures are identified by a 5-digit object number and a 5-digit business unit number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

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(Continued)

Findings: The City's MOE expenditures per the general ledger for the fiscal year ended June 30, 2024, were \$22,360,255 (see Schedule A), which exceeded the MOE benchmark requirement of \$6,494,379. We agreed the total expenditures of \$22,360,255 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$5,188,886, which represented approximately 31% of direct MOE expenditures of \$16,508,272 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance, except for \$4,456,129 reported as direct charges that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed total indirect expenditures of \$5,851,983 per the general ledger to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 35 charges for inspection with a total amount of \$1,629,278 representing 28% of the total MOE indirect costs of \$5,851,983. During testing of direct costs at Procedure #3, we identified an additional \$4,456,129 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits, insurance costs, contracted services, information technology software, monthly print shop/mail/phone, equipment rentals, and various other charges. For indirect costs, the methodology used to allocate costs should be documented and represent a fair and reasonable allocation of costs. The City was unable to provide a documented methodology representing a fair and reasonable allocation of costs. As such, these expenditures were deemed unallowable and removed from the MOE benchmark calculation. Also, we identified six charges totaling \$78,490 that should have been identified as direct costs as they were charged 100% to MOE projects. After removing unsupported indirect cost allocations, totaling \$10,229,622, the City still met the MOE benchmark. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$13,436,734 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$5,115,802 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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(Continued)

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (213). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$3,506,656 (see Schedule A), which agreed to the amount reported in the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had included only generic project titles such as "General Street Maintenance", "Residential Pavement", "Pedestrian Improvement" and "Arterial Rehabilitation" on their Schedule 4, rather than specific projects that could be traced to their Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,047,698 representing approximately 58% of total direct Measure M2 Local Fair Share expenditures of \$3,505,190 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that expenditures were properly classified and allowable per the Ordinance, except for payroll charges of \$29,249 for one employee. Discussion with the City indicated that the payroll system was erroneously set up to charge this employee's holiday, general, and administrative leave time to a General Street Maintenance Project funded by Local Fair Share. The employee in question does not perform street maintenance work. As such, these charges are deemed unallowable per the Ordinance. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,466 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 10 Local Fair Share indirect costs for inspection totaling \$1,466 representing 100% of the total Local Fair Share indirect costs. Upon inspection, we found these charges were for membership dues for public works associations and charges for public works conferences that were charged directly to Local Fair Share projects. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$112,603 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
April 9, 2025

CITY OF HUNTINGTON BEACH, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2024  
(Unaudited)

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	<b>SCHEDULE A</b>
<b>Maintenance of Effort (MOE) Expenditures:</b>	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 5,851,983
<b>Construction &amp; Right-of-Way</b>	
Street Reconstruction	\$ 1,465,541
<b>Total Construction</b>	<u>\$ 1,465,541</u>
<b>Maintenance</b>	
Patching	\$ 443,143
Overlay & Sealing	6,687,899
Street Lights & Traffic Signals	1,368,750
Other Street Purpose Maintenance	6,542,940
<b>Total Maintenance</b>	<u>\$ 15,042,732</u>
<b>Total MOE Expenditures</b>	<u>\$ 22,360,255</u>
<b>Measure M2 Local Fair Share Expenditures (Schedule 4):</b>	
General Street Maintenance	\$ 1,747,757
Residential Pavement	259,695
Pedestrian Improvement	191,593
Arterial Rehabilitation	1,307,611
<b>Total Measure M2 Local Fair Share Expenditures</b>	<u>\$ 3,506,656</u>
<b>Total MOE and Measure M2 Local Fair Share Expenditures</b>	<u>\$ 25,866,912</u>

Note: The above amounts were taken directly from the financial records of the City of Huntington Beach and were not audited.





# CITY OF HUNTINGTON BEACH

Exhibit 1

**Robert Torrez** | *Interim Chief Financial Officer*

April 9, 2025

Board of Directors  
Orange County Local Transportation Authority  
and the Taxpayers Oversight Committee of the  
Orange County Local Transportation Authority  
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Huntington Beach as of and for the fiscal year ended June 30, 2024.

## Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$5,188,886, which represented approximately 31% of direct MOE expenditures of \$16,508,272 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance, except for \$4,456,129 reported as direct charges that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

City's Response: The City will evaluate its financial reporting methods and adopt measures to ensure that Maintenance of Effort expenditures are properly categorized in future reports.

## Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed total indirect expenditures of \$5,851,983 per the general ledger to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 35

charges for inspection with a total amount of \$1,629,278 representing 28% of the total MOE indirect costs of \$5,851,983. During testing of direct costs at Procedure #3, we identified an additional \$4,456,129 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits, insurance costs, contracted services, information technology software, monthly print shop/mail/phone, equipment rentals, and various other charges. For indirect costs, the methodology used to allocate costs should be documented and represent a fair and reasonable allocation of costs. The City was unable to provide a documented methodology representing a fair and reasonable allocation of costs. As such, these expenditures were deemed unallowable and removed from the MOE benchmark calculation. Also, we identified six charges totaling \$78,490 that should have been identified as direct costs as they were charged 100% to MOE projects. After removing unsupported indirect cost allocations, totaling \$10,229,622, the City still met the MOE benchmark. No other exceptions were found as a result of this procedure.

City's Response: The City will review its financial reporting processes methodology used to allocate Maintenance of Effort costs and implement procedures to ensure that expenditures are correctly classified in future reports.

#### **Procedure #7**

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had included only generic project titles such as "General Street Maintenance", "Residential Pavement", "Pedestrian Improvement" and "Arterial Rehabilitation" on their Schedule 4, rather than specific projects that could be traced to their Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,047,698 representing approximately 58% of total direct Measure M2 Local Fair Share expenditures of \$3,505,190 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that expenditures were properly classified and allowable per the Ordinance, except for payroll charges of \$29,249 for one employee. Discussion with the City indicated that the payroll system was erroneously set up to charge this employee's holiday, general, and administrative leave time to a General Street Maintenance Project funded by Local Fair Share. The employee in question does not perform street maintenance work. As such, these charges are deemed unallowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response: The City will undertake a comprehensive review of its financial reporting protocols and establish enhanced internal controls to ensure the accurate classification of Local Fair Share

expenditures in all subsequent financial reports. A journal entry in the amount of \$29,249 has been completed to refund the erroneously charged Local Fair Share funds.

**Procedure #8**

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,466 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 10 Local Fair Share indirect costs for inspection totaling \$1,466 representing 100% of the total Local Fair Share indirect costs. Upon inspection, we found these charges were for membership dues for public works associations and charges for public works conferences that were charged directly to Local Fair Share projects. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response: The City will review its financial reporting processes and implement procedures to ensure that Local Fair Share expenditures are correctly classified in future reports.

  
Travis Hopkins, City Manager

  
Robert Torrez, Chief Financial Officer

  
Chau Vu, Director of Public Works

**Orange County Local Transportation Authority Ordinance No. 3**  
**Safeguards of Use of Revenues Excerpt**  
**Pages 5-6**

**SECTION 10. SAFEGUARDS OF USE OF REVENUES**


The following safeguards are hereby established to ensure strict adherence to the limitations on the use of the Revenues:

1. A transportation special revenue fund (the "Local Transportation Authority Special Revenue Fund") shall be established to maintain all Revenues.
2. The County of Orange Auditor-Controller ("Auditor-Controller"), in the capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the Revenues have been spent in compliance with the Ordinance.
3. Receipt, maintenance and expenditure of Net Revenues shall be distinguishable in each jurisdiction's accounting records from other funding sources, and expenditures of Net Revenues shall be distinguishable by program or project. Interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated.
4. No Net Revenues shall be used by a jurisdiction for other than transportation purposes authorized by the Ordinance. Any jurisdiction which violates this provision must fully reimburse the Authority for the Net Revenues misspent and shall be deemed ineligible to receive Net Revenues for a period of five (5) years.
5. A Taxpayer Oversight Committee ("Committee") shall be established to provide an enhanced level of accountability for expenditure of Revenues under the Ordinance. The Committee will help to ensure that all voter mandates are carried out as required. The roles and responsibilities of the Committee, the selection process for Committee members and related administrative procedures shall be carried out as described in Attachment C.
6. A performance assessment shall be conducted at least once every three years to evaluate the efficiency, effectiveness, economy and program results of the Authority in satisfying the provisions and requirements of the Investment Summary of the Plan, the Plan and the Ordinance. A copy of the performance assessment shall be provided to the Committee.
7. Quarterly status reports regarding the major projects detailed in the Plan shall be brought before the Authority in public meetings.
8. Annually the Authority shall publish a report on how all Revenues have been spent and on progress in implementing projects in the Plan and shall publicly report on the findings.



**May 5, 2025**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Cooperative Agreement with the County of Orange, Orange County Sheriff's Department

### **Overview**

On July 13, 2020, the Board of Directors approved a five-year agreement with the County of Orange, Orange County Sheriff's Department, to provide Transit Police Services. The current agreement expires June 30, 2025, and a new agreement is necessary to ensure continuity of services provided. Consistent with prior agreements, the term of the proposed agreement is for five years and includes the budget for services to be provided only for fiscal year 2025-26. Amendments for each subsequent fiscal year budget will be brought forth to the Board of Directors for consideration on an annual basis.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4051 between the Orange County Transportation Authority and the County of Orange, Orange County Sheriff's Department, for a five-year term effective July 1, 2025 through June 30, 2030, in the initial amount of \$15,523,166 to fund transit police services provided from July 1, 2025 through June 30, 2030.

### **Discussion**

The County of Orange (County), Orange County Sheriff's Department (OCSD), has provided Transit Police Services (TPS) for the Orange County Transportation Authority (OCTA) since 1993. These services include fixed-route service, right-of-way rail support, and special services. On July 13, 2020, the OCTA Board of Directors (Board) approved an agreement with OCSD for five years to provide TPS through June 30, 2025. A new agreement is required to ensure provision of these services continues.

The budget for each fiscal year of the agreement is developed in March of the preceding FY. The OCSD submits the budget estimates to OCTA during this



period for review and concurrence on the level of service provided. The final estimate provided by OCSD and included in the proposed FY 2025-26 budget for TPS, is \$15,523,166. This represents an increase of \$2,863,730 (22.62 percent) from the prior year and includes \$15,226,709 for fixed-route services, right-of-way rail support, OC Streetcar support, and general services, as well as \$296,457 for special services. The new contract establishes full implementation of the TPS OC Streetcar team as part of the regular services. On April 7, 2025, the Board approved step one of the implementation of these services with the approval of one sergeant and two deputies for the pre-revenue testing phase. The new contract includes both this action as well as the addition of four deputies for full implementation of TPS for OC Streetcar.

The majority of the cost increases are associated with the following: addition of the full implementation of services for the OC Streetcar team, which includes six deputy sheriff positions and one sergeant position as requested by OCTA, associated additional personnel equipment and overhead for the new positions, and an increase in OCSD salary and benefits of 4.97 percent over last year's contract. The six additional deputy sheriffs will have the primary responsibility of patrolling the streetcars, platforms, and alignment to maintain a visible, dedicated presence of law enforcement, reduce pedestrian use of the alignment, and respond to reports of crimes. The sergeant position is required to ensure the supervision of deputies for all shifts. It will be essential for the OC Streetcar team to work cooperatively with the Santa Ana and Garden Grove police departments.

Similar to the current agreement, the proposed new agreement includes provision for special services, which are jointly funded with Measure M2 (M2) and external grant sources. Special services include patrol of OCTA-owned environmental mitigation properties, three explosive detection canine and bomb technician handler teams, transit security overtime for visual intermodal prevention and response (VIPR), and counter-terrorism team (CTT) activities deployed to patrol or support high security risk events. Patrol costs will be subsidized by M2. VIPR operations are funded by the Transit Security Grant Program, totaling \$116,600. In 2024, the Department of Homeland Security defunded the Transportation Security Administration Explosives Detection K-9 Program. It was determined this program is vital to maintaining the safety and security of the OCTA operating environment and the cost of the program was absorbed in the regular operating expenses.

In addition, OCSD provides countywide services such as the hazardous devices squad, special weapons and tactics team, Special Victims Unit, and the Orange County Intelligence Assessment Center. OCSD deputies assigned to TPS carry full police authorities, allowing them to conduct investigations and

make misdemeanor and felony arrests. Services provided by OCSD are listed in Attachment A.

**Fiscal Impact**

Funds to support the services to be provided under this agreement are included in the OCTA Proposed FY 2025-26 Budget. The budget is comprised of four major areas: fixed-route bus service for \$10,973,027, right-of-way rail support for \$1,969,457, and \$2,284,225 for OC Streetcar support. Lastly, there is \$296,457 budgeted for special services, which include VIPR, CTT, seasonal special requests, and M2 patrol services.

**Summary**

OCTA contracts with OCSD for TPS. In order to maintain these services, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-5-4051 between OCTA and the County of Orange, OCSD, for a five-year term effective July 1, 2025 through June 30, 2030 and approve the initial amount of \$15,523,166.

**Attachments**

- A. County of Orange, Orange County Sheriff's Department Services Provided
- B. Patrol Areas

**Prepared by:**



Matt Ankley  
Manager, Security and Emergency  
Preparedness  
(714) 560-5961

**Approved by:**



Jennifer L. Bergener  
Deputy Chief Executive Officer  
(714) 560-5462

**County of Orange, Orange County Sheriff's Department Services Provided**

The following services will be provided:

- Uniformed patrol and plainclothes enforcement at Orange County Transportation Authority (OCTA)-owned properties, on railroad rights-of-way, on-board OCTA buses, and OC Streetcar system
- Response to calls for service as needed
- Traffic enforcement as it relates to the operation of fixed-route vehicles
- Special enhancement team for enhanced services: homeless liaison officers, antiterrorism anti-crime, community-oriented policing, and visible intermodal prevention and response team
- Specialized and internal investigations conducted as needed
- Security at OCTA Board of Directors meetings, public hearings, and special events as requested
- Coordinate with other transit security, local, state, and federal law enforcement agencies
- Participate in multi-agency drills on a local and regional level
- Coordination on security-related grant funding

Other assistance available through this contract includes three explosive detection canines for hazardous device detection and other law enforcement services such as the mounted enforcement unit.

Dedicated sheriff deployment to include:

- One captain position serving as the Chief of Transit Police Services
- Six sergeant positions
- One investigator position
- 31 deputy sheriff II comprised of:
  - o 20 fixed-route bus enforcement positions; includes three canines with bomb technicians and four homeless liaison officers
  - o Five deputy sheriff II – right-of-way enforcement positions
  - o Six deputy sheriff II – OC Streetcar system
- One office specialist position



**OCTA Locations**

**OCTA Administration Building**

600 S. Main Street  
Orange, CA 92863-1584

**Bases:**

**Santa Ana – Operations/Maintenance**

4301 MacArthur Boulevard  
Santa Ana, CA 92704

**Irvine Construction Circle**

16281 Construction Circle West  
Irvine, CA 92606

**Garden Grove – Operations/Annex**

11800 Woodbury Road  
Garden Grove, CA 92843

**Garden Grove – Maintenance**

11790 Cardinal Circle  
Garden Grove, CA 92843

**GG Warehouse/Lost and Found**

11911 Woodbury Road  
Garden Grove, CA 92843

**Anaheim – Operations/Maintenance**

1717 E. Via Burton Road  
Anaheim, CA 92806

**Irvine Sand Canyon – Maintenance**

14736 Sand Canyon Road  
Irvine, CA 92618

**Irvine Sand Canyon – Operations**

6671 Marine Way Road  
Irvine, CA 92618

**MSF – Maintenance Streetcar Facility**

2008 W. Fifth Street  
Santa Ana, CA 92703

**Transportation Centers:**

**Brea Park-and-Ride**

937 Lambert Road  
Brea, CA 92821

**Fullerton Transportation Center**

123 S. Pomona Avenue  
Fullerton, CA 92833

**Fullerton Park-and-Ride**

3000 W. Orangethorpe Avenue  
Fullerton, CA 92833

**Goldenwest Transportation Center**

7301 Center Avenue  
Huntington Beach, CA 92647

**Laguna Beach Transportation Center**

375 Broadway Street  
Laguna Beach, CA 92651

**Laguna Hills Transportation Center**

24282 Calle De Los Caballeros  
Laguna Hills, CA 92653

**Newport Beach Transportation Center**

1550 Avocado Avenue  
Newport Beach, CA 92660

**Tustin Metrolink Train Station**

2975 Edinger Avenue  
Tustin, CA 92780

**OC Access Assessment Center**

1347 W. Trenton Avenue  
Orange, CA 92867

## **OC Streetcar Utility Addresses**

### **OCTA Platform at Santa Ana Boulevard & Santiago**

000 3/4 East Santa Ana Boulevard OCTA - MET03 (Train Signal) and MET04 (Platform)

1002 3/4 East Santa Ana Boulevard MET02 (Santiago)

### **OCTA Platform at Ross Street & Santa Ana Boulevard**

400 3/4 W. Santa Ana MET04 (N. Ross Street)

### **OCTA Platform at Sycamore Street and Santa Ana Boulevard**

624 3/4 N. Sycamore MET01 (Santa Ana)

### **OCTA Platform at French Street and Santa Ana Boulevard**

518 3/4 West Santa Ana Boulevard MET04

\*\*\*518 3/4 North French Street MET04\*\*\*

### **MSF – Maintenance Streetcar Facility**

2008 W. Fifth Street

Santa Ana, CA 92703

### **Operating – Right-of-Way (ROW)**

42 miles Orange Subdivision – Fullerton to San Clemente

5.5 miles Olive Subdivision – Placentia to Orange

2 miles Streetcar ROW – Raitt Street to Harbor Boulevard

1 mile Pacific Electric ROW Harbor Boulevard (Garden Grove) to Crescent Avenue (Cypress)

### **405 Express Lanes Office**

405 Express Lanes Customer Service Center

1535 Scenic Avenue, Suite 125

Costa Mesa, CA 92626

# Cooperative Agreement with the County of Orange, Orange County Sheriff's Department

# Transit Police Services (TPS) – Overview

- Transit Police Services (sworn law enforcement) provided by Orange County Sheriff's Department (OCSD) since 1993
- TPS supports OCTA's mission of providing a safe, reliable transit system
- 5-year contract term previously approved on July 13, 2020
- TPS Bureau currently consists of 36 total staff\*
  - 1 Captain
  - 6 Sergeants
  - 1 Investigator
  - 27 Deputies
  - 1 Office Technician

\*Includes April 2025 amendment approved by the Board of Directors (Board) to include initial step of expanded services for the OC Streetcar; including 1 sergeants and 2 deputies

OCTA – Orange County Transportation Authority

# Current Transit Police Services

## OCSD Regular Services

- Fixed-Route Transit Police Team (uniformed patrol)
- Right-of-Way Enforcement and Investigations Team
- Community-Oriented Policing Team (Behavioral Health Liaisons)
- Explosives Detection Canine Teams / Bomb Technician
- Administrative Team

## OCSD Specialized Services

- Visible Intermodal Prevention and Response
- Anti-Terror Anti-Crime Operations
- Mounted Enforcement (Environmental Mitigation Program)
- Special Transit Services as Needed

# OC Streetcar Team Implementation

- October 2024 — Board approved a safety and security approach for the OC Streetcar including TPS and security personnel
- April 2025 — Board approved pre-revenue request through June 30, 2025
  - 1 Sergeant
  - 2 Deputies
- Request for revenue operations in TPS 5-year contract renewal
  - 1 Sergeant (existing)
  - 6 Deputies (2 existing and 4 additional for revenue operations)

Board – Board of Directors

# Financial Impact

- Cost reflects 40 total staff, existing services, and addition of OC Streetcar security needs
- Contract includes flexibility for future amendments based on service demand
- Visible Intermodal Protection/Response and Anti-Terror Anti-Crime activities are funded by the Transit Security Grant Program totaling \$116,600
- Fiscal year 2025-26 cost for services is \$15,523,166

# Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-5-4051 between the Orange County Transportation Authority and the County of Orange, Orange County Sheriff's Department, for a five-year term effective July 1, 2025 through June 30, 2030, in the initial amount of \$15,523,166 to fund transit police services provided from July 1, 2025 through June 30, 2030.