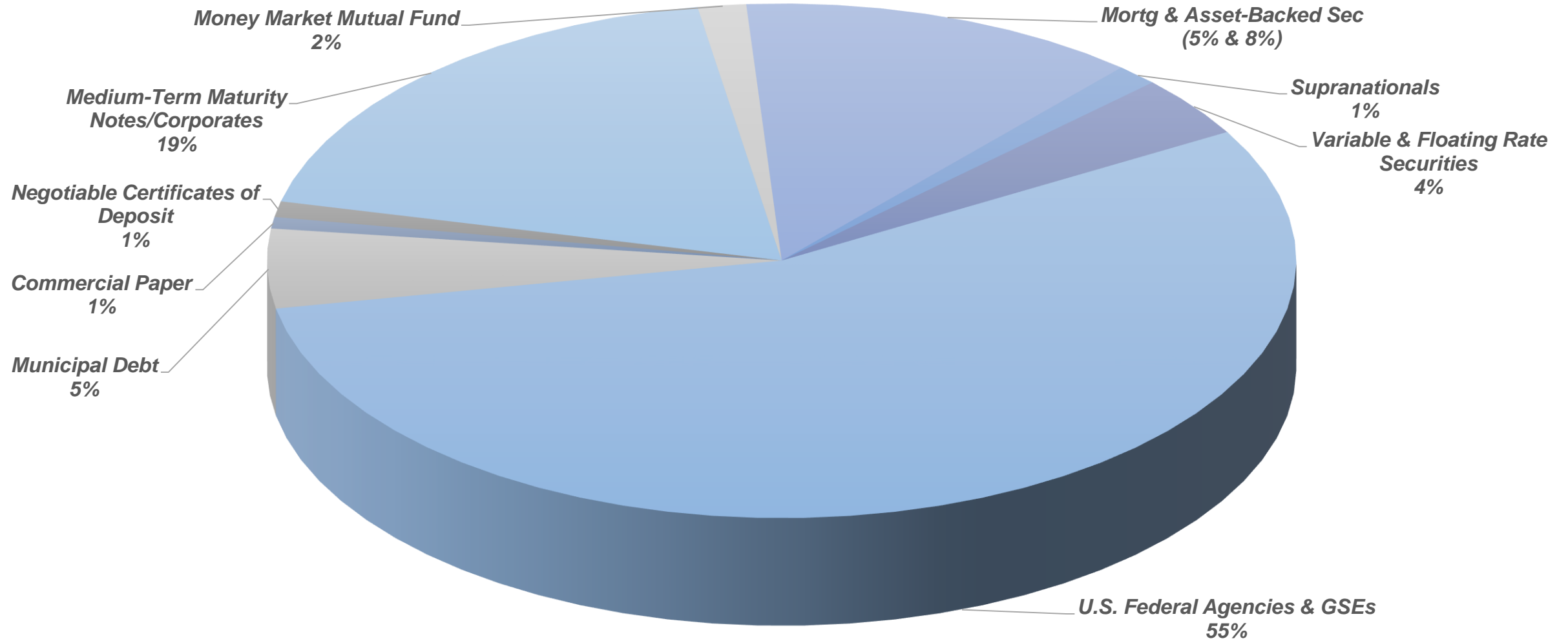


Orange County Transportation Authority Financial Update

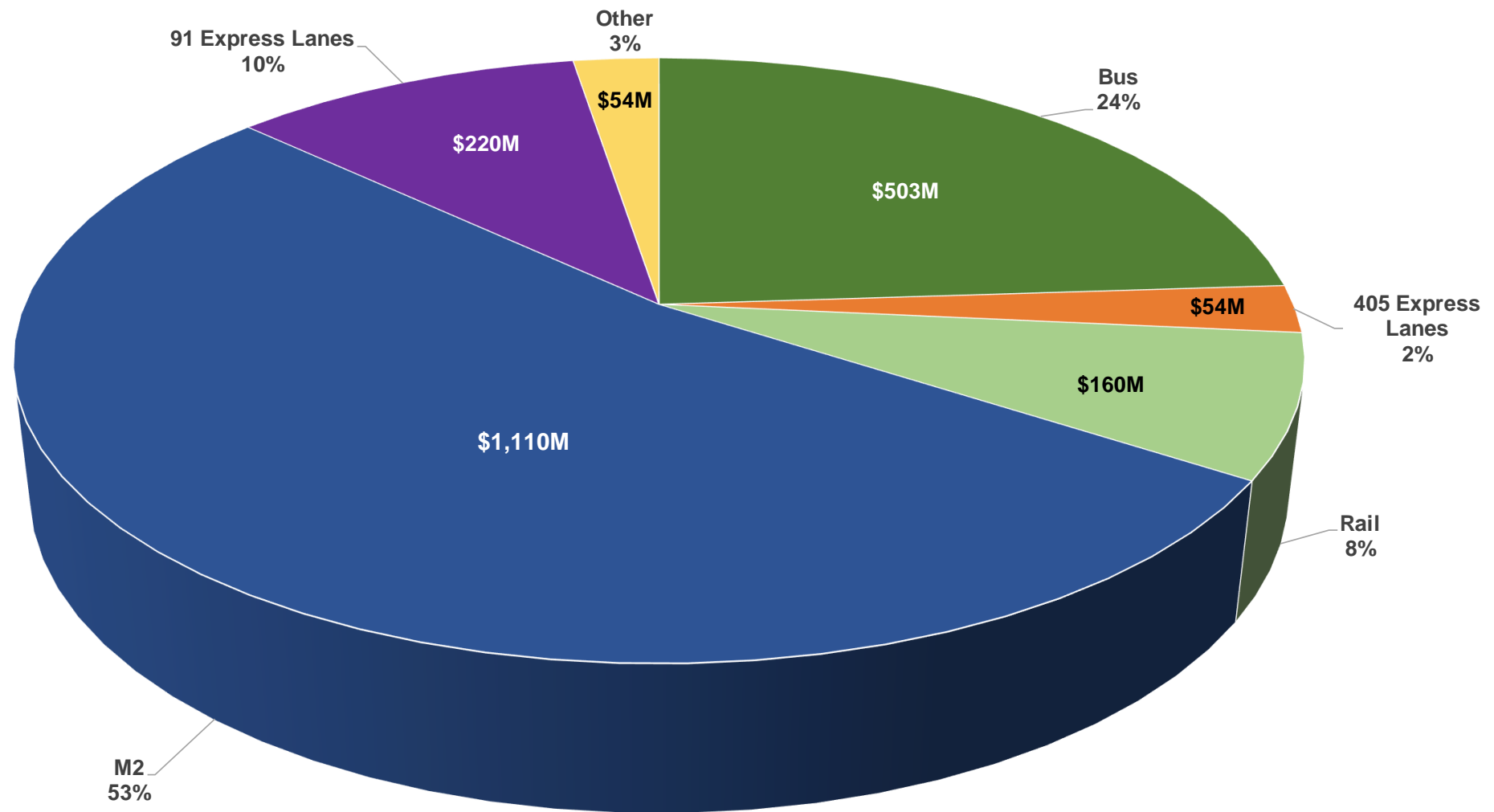
Program Updates

- Investments
- Measure M2 (M2)
- Bus
- Express Lanes Programs
 - 91 Express Lanes
 - Interstate 405 (I-405) Express Lanes

Short-Term Portfolio Balance of \$1.6 Billion



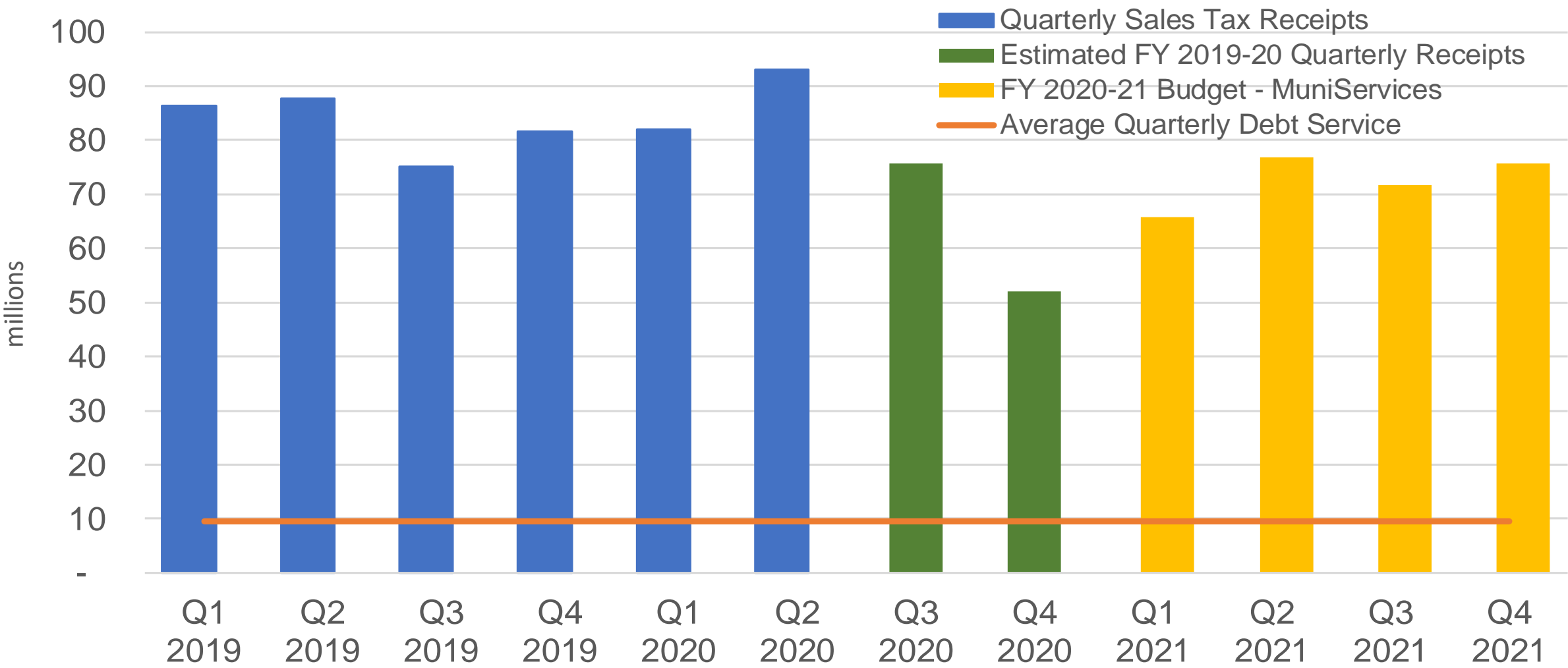
Cash Balance of \$2.1Billion



M2 Program

- Sales tax collections
 - Fiscal Year (FY) 2018-19: \$331 million
 - FY 2019-20 (estimated): \$303 million
 - FY 2020-21 (forecast): \$290 million
- Historically strong debt service coverage and cash balances
 - Outstanding sales tax revenue bonds of \$627 million
 - Annual debt service of \$39 million
 - FY 2019 coverage ratio - 8.8x
 - Cash balance of \$1.1 billion
 - Economic uncertainty of \$1.9 billion
- Future financing
 - No need for additional financing until FY 2022-23

M2 Program: Sales Tax vs Debt Service



Bus Program

- Sales tax collections
 - FY 2018-19: \$176 million
 - FY 2019-20 (estimated): \$161 million
 - FY 2020-21 (forecast): \$154 million
- Fixed-route ridership down 72 percent negatively impacting fare revenue
 - Current losses for fixed-route fare revenue of ~ \$2.5 million per month
- State Transit Assistance anticipated to decrease due to declining fuel usage
- Annual operating cost per year is ~ \$320 million

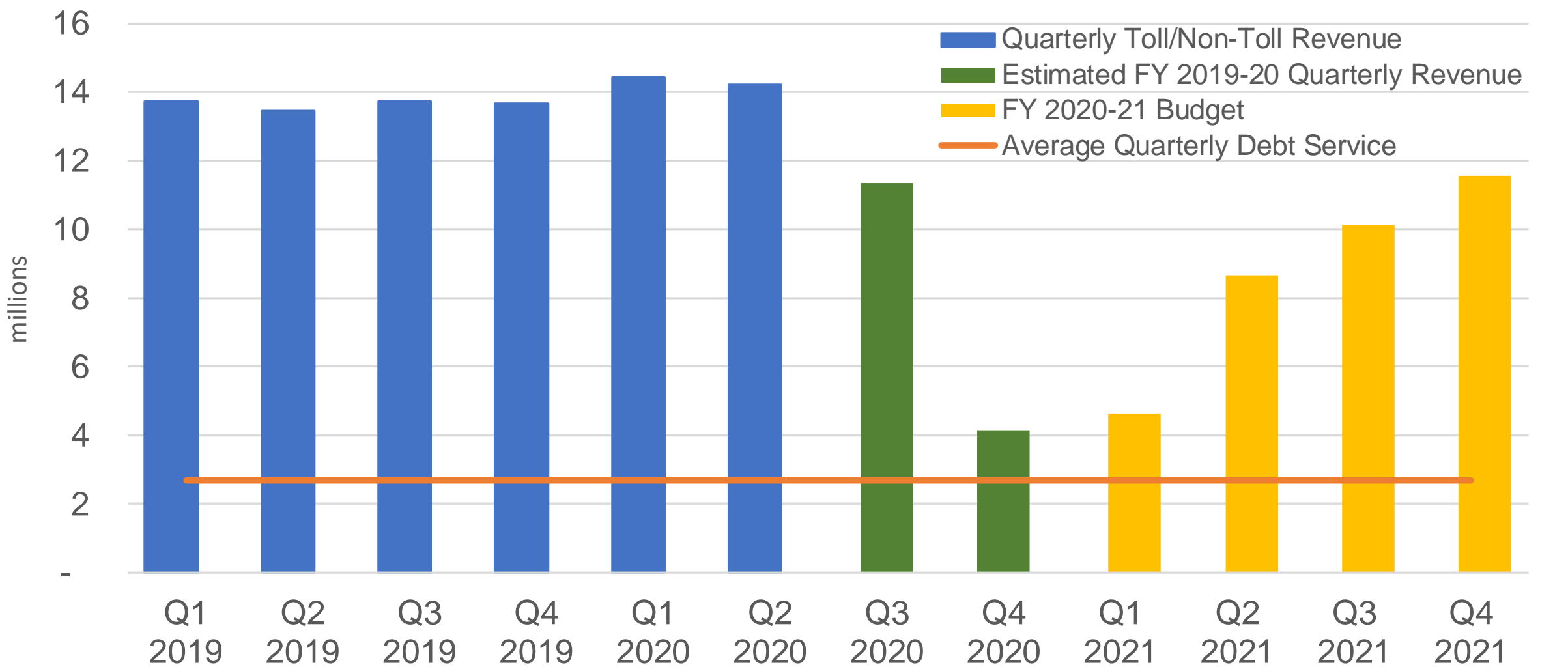
Bus Program

- Coronavirus Aid, Relief, and Economic Security (CARES) Act – \$155M
- Strong cash position
 - Board approved an increase in operating reserve from 45 days to 60 days
 - Operating reserve is currently \$107 million (120 days)
- No outstanding debt and no plans for future issuances
- Capital program remains funded

91 Express Lanes

- Toll revenue down 60 percent due to declining traffic volume
- Historically strong debt service coverage ratio
 - Outstanding toll road revenue bonds of \$92 million
 - Annual debt service of \$11 million
 - FY 2019 coverage ratio – 4.6x (1.3x required)
- Strong cash position
 - Indenture required reserves fully funded at \$25 million
 - Unrestricted reserves total \$180 million
 - Includes internal capital fund (\$25 million), M2 Project Fund (\$57 million), and excess toll revenue reserve (\$98 million)

91 Express Lanes: Revenue vs Debt Service



I-405 Express Lanes

- Supported by \$629 million federal Transportation Infrastructure Finance and Innovation Act Loan
 - Interest rate of 2.91 percent
 - Loan terms will not change due to impact of COVID-19
 - Current draws on the loan total \$287 million
- Required Line of Credit
 - Outstanding amount of \$500 million
 - Annual fee of 36 basis points
 - Line of credit expires July 2021
- Construction continues

Rating Agencies

- Rating agencies took action to address credit outlooks in the transportation sector amid COVID-19 disruptions
- Fitch placed five major transit agencies on negative watch
 - Also initiated a review of all toll road credits
- Standard & Poor's revised the transportation sector outlook to negative
- Moody's revised toll road outlook to negative from stable
- Fitch affirmed OCTA's 91 Express Lanes Rating at "A+" and the Rating Outlook continues to be "Stable"

Next Steps

- Proactively reach out to rating agencies and investors
- Continue to assess impacts of COVID-19 to the debt and investment markets
- Utilize CARES Act funding to support the Bus and Metrolink Programs
- Continue to assess impacts of COVID-19 to OCTA's programs