Orange County Transportation Authority

Board Agenda
Tuesday, May 27, 2025 at 9:30 a.m.

550 South Main Street, Orange, California

Board Members

Doug Chaffee, Chair
Jamey M. Federico, Vice Chair
Valerie Amezcua
Katrina Foley
William Go
Patrick Harper
Michael Hennessey
Fred Jung
Stephanie Klopfenstein
Carlos A. Leon
Janet Nguyen
Tam T. Nguyen
Vicente Sarmiento
John Stephens
Kathy Tavoularis
Mark Tettemer
Donald P. Wagner
Lan Zhou, Ex-Officio

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 Board 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 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 Board 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 OCTA. 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.

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

Invocation

Director Janet Nguyen

Pledge of Allegiance

Director Harper

1. Closed Session

Overview

A Closed Session will be held as follows:

A. Pursuant to Government Code Section 54956.9(d)(1) - Conference with General Counsel - Existing Litigation - St. Andrew's by the Sea United Methodist Church v. State of California, et. Al., OCSC Case No. 30-2018-01018320.

B. Pursuant to Government Code Section 54956.9(d)(1) - Conference with General Counsel - Existing Litigation - Walsh Construction Company v. Orange County Transportation Authority, OCSC Case No. 30-2022-01248455.

Special Calendar

Orange County Transportation Authority Special Calendar Matters

2. Update on Emergency Need for Railroad Track Stabilization in the Vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision
Jason Lee/James G. Beil

Overview
The four reinforcement areas identified in the Coastal Rail Resiliency Study adjacent to the Orange County Transportation Authority-owned railroad right-of-way, in the vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision, has continued to experience coastal erosion and the hillside continues to move incrementally, posing an imminent threat to the railroad corridor and public safety if immediate necessary actions are not taken to mitigate the threat. Measures must be taken immediately to stabilize the track and maintain passenger and freight rail service.

Recommendation(s)
Reaffirm Resolution No. 2025-025 to authorize the Chief Executive Officer to take all necessary actions to address the emergency need for railroad track stabilization in the vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision, and to return to the Board of Directors, as required, to report on the status thereof.

Attachments:

Presentation

3. Presentation of Resolutions of Appreciation for Employees of the Month

Overview
Present Orange County Transportation Authority resolutions of Appreciation to Gelacio Aguilar, Coach Operator, Resolution No. 2025-031; Jose Gutierrez, Maintenance, Resolution No. 2025-032; and Josue Vaglienty, Administration, Resolution No. 2025-033 as Employees of the Month for May 2025.

Consent Calendar (Items 4 through 16)

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

Orange County Transportation Authority Consent Calendar Matters

4. Approval of Minutes
Clerk of the Board

Recommendation(s)
Approve the minutes of the May 12, 2025 Orange County Transportation Authority and affiliated agencies' regular meeting.

Attachments:

Minutes

5. Real Estate Administration, Internal Audit Report No. 25-506

Gabriel Tang/Janet Sutter

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of real estate administration. Based on the audit, controls over real estate administration could be improved. Five recommendations have been made to develop procedures for implementing fair market adjustments, improve documentation of approval for negotiated lease rates, document reviews of insurance requirements, develop procedures for periodic inspection of leased properties, and to implement procedures for collection of late payment fees.

Recommendation(s)

Direct staff to implement five recommendations provided in Real Estate Administration, Internal Audit Report No. 25-506.

Attachments:

Transmittal
Staff Report
Attachment A

6. Transportation Development Act, Triennial Performance Audits

Ricco Bonelli/Janet Sutter

Overview

Triennial performance audits have been conducted of the Orange County Transportation Authority, the Orange County Transit District, and the Laguna Beach Municipal Transit Lines for fiscal years 2021-22 through 2023-24. These audits are required by the Transportation Development Act. The audits found the Orange County Transportation Authority and the Orange County Transit District in compliance with applicable sections of the California Public Utilities Code.

The Laguna Beach Municipal Transit Lines was found to have met all compliance requirements with respect to applicable sections of the California Public Utilities Code except for filing its fiscal year 2023-24 State Controller's Report within seven months of the end of the fiscal year. The audit offered three recommendations to the City of Laguna Beach to improve implementation of its long-term goals and objectives, strengthen its reporting process, and to ensure timely submissions to the State Controller's Office.

Recommendation(s)

A. Receive and file the Triennial Performance Audit of the OCTA as the Regional Transportation Planning Entity, fiscal year 2021-22 to fiscal year 2023-24, as an information item.

B. Receive and file the Triennial Performance Audit of the Orange County Transit District, fiscal year 2021-22 to fiscal year 2023-24, as an information item.

C. Direct staff to monitor implementation of recommendations included in the Triennial

Performance Audit of the City of Laguna Beach - Laguna Beach Municipal Transit Lines, fiscal year 2021-22 to fiscal year 2023-24.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B
Attachment C

7. Fiscal Year 2024-25 Third Quarter Grant Reimbursement Status Report
Sam Kaur/Andrew Oftelie

Overview
The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the third quarter of fiscal year 2024-25, covering January through March 2025.

Recommendation(s)
Receive and file as an information item.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B
Attachment C
Attachment D

8. Orange County Transportation Authority Investment and Debt Programs Report - March 2025
Robert Davis/Andrew Oftelie

Overview
The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending March 31, 2025. The report has been reviewed and is consistent with the investment practices contained in the investment policy.

Recommendation(s)
Receive and file as an information item.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B

9. Annual Update to Investment Policy
Robert Davis/Andrew Oftelie

Overview
The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2025-26 Investment Policy. The governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year. Additionally, and as recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Proposed Fiscal Year 2025-26 Investment Policy to be reviewed at a public meeting.

Recommendation(s)
A. Adopt the Fiscal Year 2025-26 Investment Policy July 1, 2025.

B. Authorize the Treasurer, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2025-26.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B

10. State Legislative Status Report
Clara Brotcke/Kristin Jacinto

Overview
The Orange County Transportation Authority provides regular updates to the Legislative and Communications Committee on policy issues directly impacting its overall programs, projects, and operations. This report includes proposed principles for the reauthorization of the cap-and-trade program, a recommended position on legislation that would expand the definition of events qualifying for a state or local emergency, a summary on legislation supported by the Orange County Transportation Authority that would improve the state's permitting process for outdoor advertising displays along newly aligned highways, and a summary on a hearing pertaining to the Greenhouse Gas Reduction Fund. A verbal update on the fiscal year 2025-26 state budget proposal will be provided when this report is presented.

Recommendation(s)
A. Adopt the proposed Principles for Cap-and-Trade Revenue Distribution Legislation and direct staff to take necessary and appropriate actions to inform and respond to legislative proposals.

B. Adopt a SUPPORT position on AB 986 (Muratsuchi, D-Torrance), which would expand the definition of events qualifying for a state or local emergency to include landslides and preexisting climate conditions.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B
Attachment C
Attachment D
Attachment E

11. Federal Legislative Status Report

Alexis Carter/Kristin Jacinto

Overview

The Orange County Transportation Authority regularly updates the Legislative and Communications Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This update provides an outline of the transportation impacts resulting from budget reconciliation negotiations following the recent agreement on a budget resolution, an overview of the Public Employees' Pension Reform Act of 2013 and its implications for federal transit grant certification, an update on a compliance letter issued by the United States Department of Transportation outlining requirements for continued eligibility for federal funding, and a summary of two congressional hearings: one pertaining to transit policies and programs and the other related to the Highway Trust Fund.

Recommendation(s)

Receive and file as an information item.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B
Attachment C

Orange County Transit District Consent Calendar Matters

12. Consultant Selection for On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

George Olivo/James G. Beil

Overview

On January 13, 2025, the Orange County Transportation Authority Board of Directors authorized the issuance of a request for proposals to retain consultants to provide on-call architectural and engineering design and construction support services for transit facility projects. Board of Directors' approval is requested to select the firms to perform the required work.

Recommendation(s)

A. Approve the selection of Stantec Architecture Inc., M. Arthur Gensler, Jr. & Associates, Inc., Anil Verma Associates, Inc., STV Incorporated, Dahl, Taylor & Associates, Inc., and IDS Group, Inc., in the aggregate amount of $3,000,000, as the firms to provide on-call architectural and engineering design and construction support services for transit facility projects.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2610 between the Orange County Transportation Authority and Stantec Architecture Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4060 between the Orange County Transportation Authority and M. Arthur Gensler, Jr. & Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

D. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4061 between the Orange County Transportation Authority and Anil Verma Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

E. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4062 between the Orange County Transportation Authority and STV Incorporated, to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

F. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4063 between the Orange County Transportation Authority and Dahl, Taylor & Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

G. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4064 between the Orange County Transportation Authority and IDS Group, Inc., to

provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B
Attachment C

13. Amendment to Agreement for Marketing Print Services
Jennifer O'Connor/Maggie McJilton

Overview
On June 27, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with PGI-Pacific Graphics, Inc. to provide marketing print services for a three-year initial term with two, two-year option terms. Board of Directors' approval is requested to exercise the first option term effective July 1, 2025 through June 30, 2027.

Recommendation(s)
Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2288 between the Orange County Transportation Authority and PGI-Pacific Graphics, Inc., to exercise the first option term, in the amount of $230,000, to continue providing marketing print services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $555,000.

Attachments:

Transmittal
Staff Report
Attachment A

14. Amendment to Agreement for Public Information Marketing Program Services
Jennifer O'Connor/Maggie McJilton

Overview
On July 25, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with Klein and Klein, Inc. to provide public information marketing program services for a three-year initial term with two, two-year option terms. Board of Directors' approval is requested to exercise the first option term effective July 1, 2025 through June 30, 2027.

Recommendation(s)
Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-2-2313 between the Orange County Transportation Authority and Klein and Klein, Inc., to exercise the first option term, in the amount of $350,000, to continue providing public information marketing program services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total

contract value of $731,000.

Attachments:

Transmittal
Staff Report
Attachment A

15. Amendment to Agreement for Bus Mural Application Services
Jennifer O'Connor/Maggie McJilton

Overview
On July 25, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with JG Images, Inc. to provide bus mural application services for a three-year initial term with two, two-year option terms. Board of Directors' approval is requested to exercise the first option term effective July 1, 2025 through June 30, 2027.

Recommendation(s)
Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2317 between the Orange County Transportation Authority and JG Images, Inc., to exercise the first option term, in the amount of $260,000, to continue providing bus mural application services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $610,000.

Attachments:

Transmittal
Staff Report
Attachment A

Orange County Local Transportation Authority Consent Calendar Matters

16. Amendment to Agreement for On-Call Commercial Real Estate Brokerage Services
Joe Gallardo/James G. Beil

Overview
On August 24, 2020, the Orange County Transportation Authority Board of Directors approved an agreement with CBRE, Inc. for on-call commercial real estate brokerage services for leasing and disposing of anticipated excess land owned by the Orange County Transportation Authority. An amendment to the existing agreement is requested for continued on-call commercial real estate brokerage services for an additional six months.

Recommendation(s)
Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-0-2160 between the Orange County Transportation Authority and CBRE, Inc., in the amount of $268,000, for additional on-call commercial real estate brokerage leasing services and extend the term of the agreement for an additional six months through March 31, 2026. This will increase the maximum cumulative obligation of the agreement to a total contract value of $318,000 for leasing services.

Attachments:

Transmittal
Staff Report
Attachment A
Attachment B

Regular Calendar

Orange County Transit District Regular Calendar Matters

17. Proposed New Fare Media

Sam Kaur/Andrew Oftelie

Overview

The Orange County Transportation Authority is proposing new fare media as part of the implementation of the new Rider Validation System scheduled for rollout in October 2025. The proposed fare media, branded as the Wave card, is a contactless smart card that would replace legacy magnetic stripe passes and broaden access to features such as fare capping, contactless payments, and free two-hour transfers. In order to implement the new fare media, the Orange County Transportation Authority must conduct outreach and a Title VI analysis to ensure that low income and minority riders are not negatively impacted by the proposed fare media. The outreach and Title VI analysis has been completed, and staff is recommending approval of the new proposed fare media.

Recommendation(s)

A. Receive and file the final Public Involvement Plan Report.

B. Direct staff to implement the new fare media with the launch of the Rider Validation system.

Attachments:

Transmittal
Staff Report
Attachment A
Presentation

Discussion Items

18. Public Comments

19. Chief Executive Officer's Report

20. Directors' Reports

21. Adjournment

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

9:30 a.m., on Monday, June 9, 2025

OCTA Headquarters
Board Room
550 South Main Street
Orange, California

Update on Emergency Need for Railroad Track Stabilization in the Vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision

Coastal Rail Stabilization Priority Project

- Four reinforcement areas were identified in January 2024
- Proposed solutions evaluated at a preliminary design level considering different materials, performance, costs, methods, and schedule

Area	Location (MP)	Challenge	Proposed Solutions
1	203.80 – 203.90	Ongoing deterioration of existing riprap protection	Riprap repair (900 tons/600 CY) followed by sand nourishment
2	204.00 – 204.40	Erosion - no beach at high tide and direct wave attack damaging existing riprap protection	Riprap repair (6,750 tons/4,500 CY) followed by sand nourishment
3	204.07 – 204.34	Steep bluffs with high potential for failure that could impact rail infrastructure	1,400-ft catchment structure
4	206.00 - 206.10 206.42 - 206.70	Near San Clemente State Beach - erosion exposing areas of limited to no riprap protection	Riprap repair (2,100 tons/1,400 CY) and 1,200-ft shoreline protection structure followed by sand nourishment

MP – Mile Post
CY – Cubic Yard



Areas 1 and 2 Riprap Repair Activities

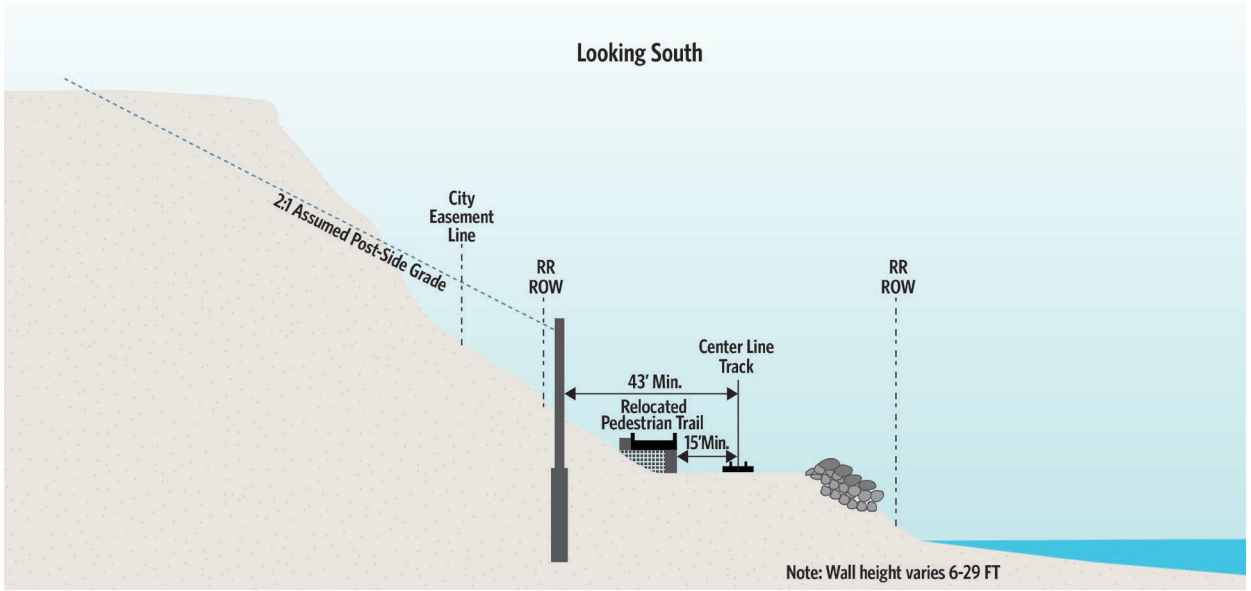
- Work began on April 28, 2025
- Riprap placement at Areas 1 and 2 continues and over 4,200 tons/ 2,800 CY supplemental riprap placed for repair
- California Coastal Commission (CCC) approved culvert repair and reapportionment of riprap repairs between Areas 1 and 2 (Area 1A)
- Work remains on schedule to be completed by June 9, 2025
- Regular construction coordination meetings are taking place with the Southern California Regional Rail Authority (SCRRA) and City of San Clemente (City)
- Coordinated public outreach efforts with SCRRA contractor and the City
- Cooperative agreement with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency for the bus bridge services finalized





Area 3 Mariposa Catchment Wall Activities

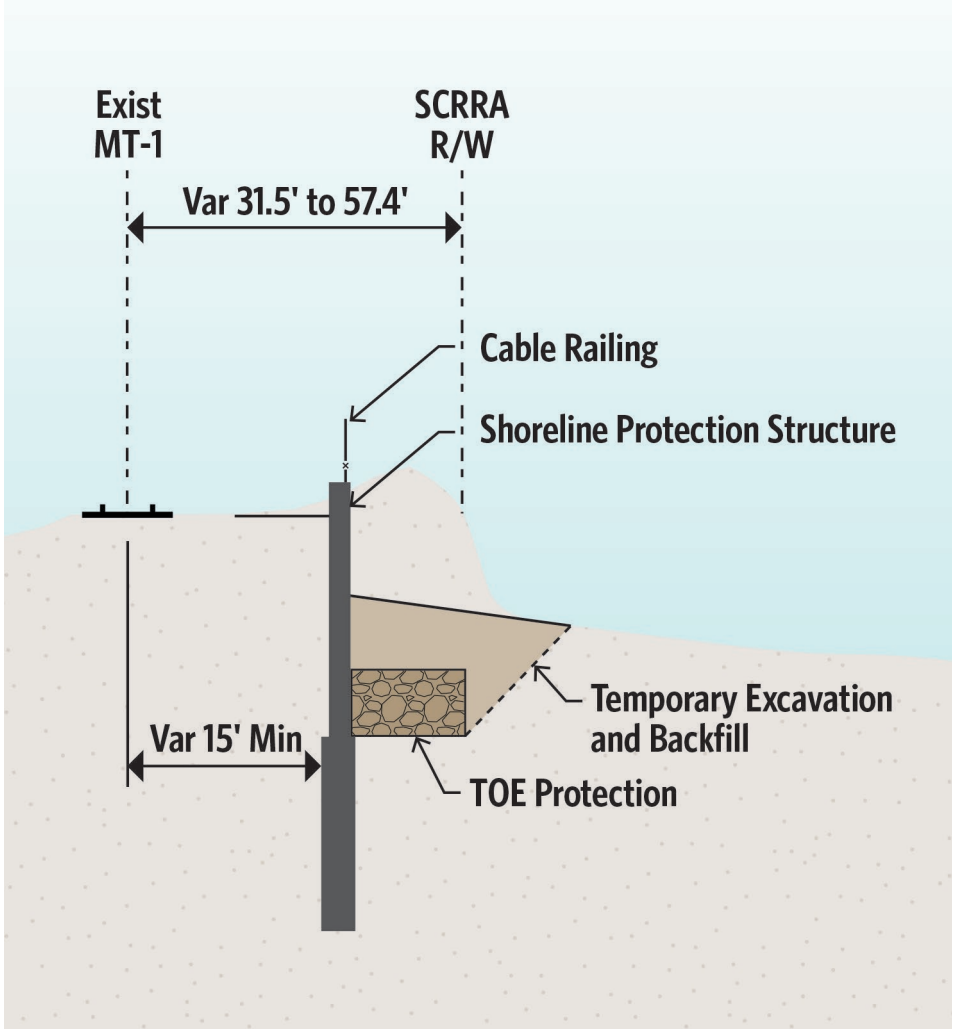
- California Transportation Commission allocated $92.231 million on May 16, 2025
- Received revised proposal for independent geotechnical engineering services on May 8, 2025
- Proposal received from design-build contractor on May 7, 2025
  - Reviewed and submitted comments for clarification to design-build contractor on the proposal
  - Initiated design meetings with design-build contractor
  - Upon resolution of design and contractual questions, contract will be executed
- Cooperative agreement for construction support for Area 3 under review by SCRRA
- Coordination meetings with SCRRA and City on Area 3 project



RR – Railroad
ROW – right-of-way

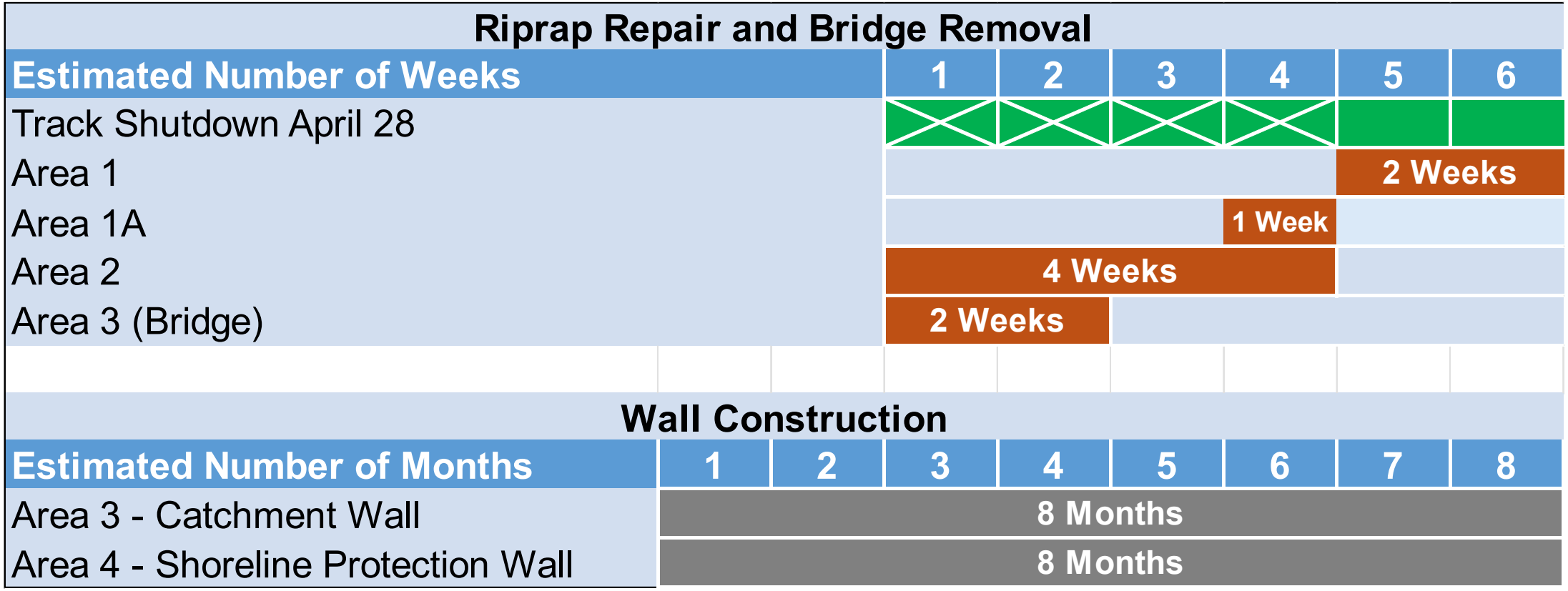
Area 4 Shoreline Protection Structure Activities

- CCC does not recognize Area 4 as an emergency, no emergency Coastal Development Permit (CDP) will be issued
- Resume prior efforts to complete the pending CDP submitted in August 2024 and seek opportunities to expedite
- Met with CCC and discussed beach nourishment coastal sand modeling analysis
- Orange County Transportation Authority (OCTA) will complete the alternatives analysis (AA) and detail the reasons for each alternative considered
- OCTA will prepare a specific sand modeling report with the AA report



Area 4 – Shoreline Protection Structure

Estimated Schedule

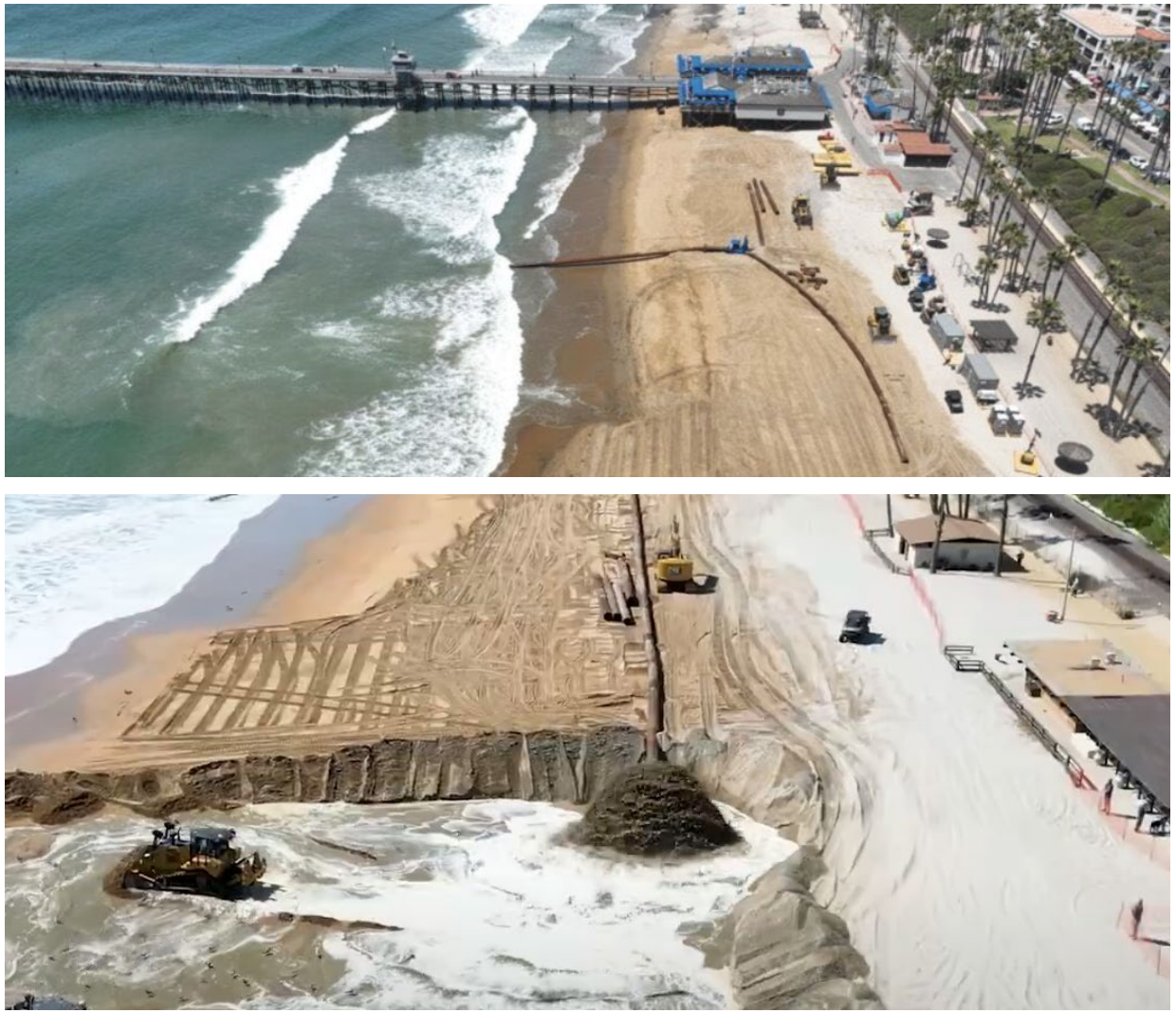


Sand Schedule TBD

Sand Nourishment

- Received eight responses to Request for Information for sand dredge and placement on May 5, 2025; responsiveness review completed. Staff to meet with four identified responsive firms. Next step following the meetings to further determine which firm would have the best capability and availability to meet the project schedule
- OCTA is securing environmental clearance for offshore source dredging and placement of sand for Areas 1, 2, and 4. Comments received from Federal Railroad Administration on technical studies submitted under the National Environmental Policy Act documentation
- OCTA is utilizing previous studies by the City to streamline the process, and has provided a draft cooperative agreement with the City for offshore sand exploration, which is being finalized
- OCTA is beginning marine environmental studies for beach nourishment
- Early Sand Nourishment Evaluation and Efforts:
  - Received material quotes for onshore sources for sand
  - Met with a contractor on early sand placement logistics
  - Coordinating onshore sand quality approval from Dredge Materials Management Team
- Preliminary Schedule (Subject to Change):
  - Environmental and final design approvals: Anticipated Q4 of 2025
  - Procure sand placement contractor: Anticipated Q1 of 2026
  - Bids Due Date: Anticipated Q2 of 2026
  - Contract Award and Notice to Proceed: Anticipated Q2 of 2026
  - Project Completion: Anticipated in 2027

Q - Quarter



Pictures from San Clemente Sand Replenishment Project

Recommendation

Reaffirm Resolution No. 2025-025 and authorize the Chief Executive Officer to take all necessary actions to address the emergency need for railroad track stabilization in the vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision, and to return to the Board of Directors, as required, to report on the status thereof.

Call to Order

The May 12, 2025, regular meeting of the Orange County Transportation Authority (OCTA) Board of Directors and affiliated agencies was called to order by Chair Chaffee at 9:30 a.m. at the OCTA Headquarters, 550 South Main Street, Orange, California.

Directors Present:
Doug Chaffee, Chair
Jamey M. Federico, Vice Chair
Valerie Amezcua
Katrina Foley
William Go
Patrick Harper
Michael Hennessey
Fred Jung
Stephanie Klopfenstein
Carlos A. Leon
Janet Nguyen
Tam T. Nguyen
Vicente Sarmiento
John Stephens
Kathy Tavoularis
Mark Tettemer

Directors Absent:
Donald P. Wagner
Lan Zhou, Ex-Officio

Staff Present:
Darrell E. Johnson, Chief Executive Officer
Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Assistant Clerk of the Board
Andrea West, Clerk of the Board
Sahara Meisenheimer, Clerk of the Board Specialist
James Donich, General Counsel

Closed Session

A Closed Session was not scheduled at this meeting.

Special Calendar

1. Administration of the Oath of Office to New Orange County Transportation Authority Board of Director

James Donich, General Counsel, administered the Oath of Office to new Board Member William Go.

2. Update on Emergency Need for Railroad Track Stabilization in the Vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision

James G. Beil, Executive Director of Capital Programs, provided a presentation on this item.

A motion was made by Director Foley, seconded by Director Sarmiento, and declared passed by those present to reaffirm Resolution No. 2025-025 to authorize the Chief Executive Officer to take all necessary actions to address the emergency need for railroad track stabilization in the vicinity of Mile Post 203.83 to 204.40 and 206.10 to 206.70 on the Orange Subdivision, and to return to the Board of Directors, as required, to report on the status thereof.

Consent Calendar (Items 3 through 17)

3. Approval of Minutes

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to approve the minutes of the April 28, 2025 Orange County Transportation Authority and affiliated agencies' regular meeting.

4. Approval of the Revised 2025 Orange County Transportation Authority Board of Directors Committee and External Agencies' Assignments

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to:

A. Approve the revised Chair's assignments for the 2025 Orange County Transportation Authority Board of Directors' committees comprised of the Executive, Finance and Administration, Legislative and Communications, Regional Transportation Planning, State Route 91 Advisory, Transit, and Environmental Oversight committees.

B. Receive the revised Chair's assignments for the 2025 external agencies comprised of the California Association of Councils of Governments, Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, Mobile Source Air Pollution Reduction Review Committee, Southern California Association of Governments' Regional Council, Orange County Council of Governments, and the Southern California Regional Rail Authority.

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

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to 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.

6. Sole Source Agreement for Motorist Assistance Call Answering Services

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-5-3932 between the Orange County Transportation Authority and AAMCOM, LLC, in the amount of $645,455, to provide call answering services for the 511 Motorist Assistance and Traveler Information and Freeway call box systems for a six-year term.

7. Approval to Release Request for Proposals for Temporary Staffing Services

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to:

A. Approve the proposed evaluation criteria and weightings for Request for Proposals 5-4052 to select a firm or firms to provide temporary staffing services.

B. Approve the release of Request for Proposals 5-4052 for a firm or firms to provide temporary staffing services for a three-year initial term with two, two-year option terms.

8. Approval to Release Request for Proposals for Claims Administration of the Self-Insured Workers' Compensation Program

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to:

A. Approve the proposed evaluation criteria and weightings for Request for Proposals 5-3964 to select a firm to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.

B. Approve the release of Request for Proposals 5-3964 for a firm to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.

9. 2025 Board of Directors and Chief Executive Officer Initiatives and Action Plan - First Quarter Progress Report

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to receive and file as an information item.

10. Regional Planning Update

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to receive and file as an information item.

11. Amendment to Agreement for Mobile Ticketing Services

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-0-2067 between the Orange County Transportation Authority and Siemens Mobility, Inc. in the amount of $207,621, to exercise the first option term for licensing, maintenance, and commission fees of the mobile ticketing application effective through June 30, 2027. This will increase the maximum cumulative payment obligation to a total contract value of $1,333,049.

12. Cooperative Agreement with the California Department of Transportation for the Interstate 5 Improvement Project Between Interstate 405 and Yale Avenue

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-5-4067 between the Orange County Transportation Authority and the California Department of Transportation, in an amount of $267,725,000, comprised of a construction capital share of $223,000,000, and a construction management services share of $44,725,000, for the Interstate 5 Improvement Project between Interstate 405 and Yale Avenue.

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

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to receive and file as an information item.

14. Contract Change Orders for Construction of the OC Streetcar Project

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to:

A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 4.5 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of $250,000, to address utility conflicts.

B. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 71.3 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of $200,000, for traffic signal ethernet switches.

C. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 293 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of $900,000, for communication systems and train control software updates and license extensions.

Director Janet Nguyen abstained from voting on this item.

Director Jung voted in opposition to Recommendation C.

15. Amendment to Agreement for the Operations and Maintenance Services for the OC Streetcar Project

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-8-2039 between the Orange County Transportation Authority and Herzog Transit Services, Inc. in the amount of $5,938,341, and modify the initial agreement term through March 31, 2031, to align the revenue service contract years with the revised project timeline for operations and maintenance services for the OC Streetcar project. This will increase the maximum cumulative obligation of the agreement to a total contract value of $59,003,931.

16. Consultant Selection for Construction Management Support Services for the Interstate 5 Improvement Project Between Yale Avenue and State Route 55

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to:

A. Approve the selection of HDR Construction Control Corporation as the firm to provide construction management support services for the Interstate 5 Improvement Project between Yale Avenue and State Route 55.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2614 between the Orange County Transportation Authority and HDR Construction Control Corporation to provide construction management support services for the Interstate 5 Improvement Project between Yale Avenue and State Route 55.

17. Measure M2 Eligibility for the City of Orange

A motion was made by Director Hennessey, seconded by Director Amezcua, and declared passed by those present to:

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).

Regular Calendar

18. Amendment to the Master Plan of Arterial Highways

Rose Casey, Executive Director of Planning, provided a presentation on this item.

A motion was made by Director Harper, seconded by Director Foley, and declared passed by those present to:

A. Approve amending the Master Plan of Arterial Highways to fully remove the Garfield-Gisler Santa Ana River crossing.

B. Direct staff to close out the Memorandum of Understanding C-6-0834 among the cities of Costa Mesa, Fountain Valley, and Huntington Beach, and the Orange County Transportation Authority regarding agency responsibilities for implementing the consensus recommendation for the Garfield-Gisler bridge crossing over the Santa Ana River.

C. Direct the Executive Director of Planning, or her designee, to file a Notice of Exemption from the California Environmental Quality Act in support of the Master Plan of Arterial Highways amendment.

19. OC Streetcar Project Quarterly Update

Jeff Mills, Director of Capital Project Delivery, and Tresa Oliveri, Principal Community Relations Specialist, provided an update on this item.

No action was taken on this receive and file information item.

20. Measure M2 Eligibility for the City of Huntington Beach

Darrell E. Johnson, Chief Executive Officer (CEO), provided opening comments and introduced Adriann Cardoso, Department Manager of Planning, who provided a report on this item.

Public comment was heard from Travis Hopkins, City Manager of Huntington Beach.

A motion was made by Director Janet Nguyen, seconded by Director Amezcua, to move staff recommendations with the addition of recommendations D, E, and F, and declared passed by a roll call vote of 11-4 to:

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.

D. The City of Huntington Beach can apply for grants through the Comprehensive Transportation Funding Program, with any awarded funds placed into an escrow account.

E. Request staff to return with a proposed amendment to the Measure M2 ordinance, allowing the board discretion in evaluating the materiality of similar future violations.

F. Request staff to bring back a proposal allowing the City of Buena Park, which previously had a similar issue, the same opportunity for competitive grant eligibility.

Directors Foley, Hennessey, Leon, and Sarmiento voted in opposition.

Director Stephens was not present to vote.

Discussion Items

21. Public Comments

Public comment was heard from Paul Hyek.

22. Orange County Transportation Authority Fiscal Year 2025-26 Budget Workshop

Andrew Oftelie, Chief Financial Officer, and Sean Murdock, Director of Finance, presented this item.

No action was taken on this informational item.

23. Chief Executive Officer's Report

Darrell E. Johnson, CEO, reported on the following:

- California Resources Air Board approved the Regional Transportation Plan/ Sustainable Communities Strategy.

- Bike Rally event on Wednesday, May 28th.

24. Directors' Reports

Director Amezcua thanked Ted Nguyen, Senior Section Manager of Public Outreach, and the Marketing team for their outstanding work at the Mother's Day event held at the Senior Center in Santa Ana on Friday, May 9, 2025.

25. Adjournment

The meeting was adjourned at 11:18 a.m.

The next regularly scheduled meeting of this Board will be held:
9:30 a.m., on TUESDAY, May 27, 2025
OCTA Headquarters
Board Room
550 South Main Street
Orange, California

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Real Estate Administration, Internal Audit Report No. 25-506

Finance and Administration Committee Meeting of May 14, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, and Tettemer
Absent: Director Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Direct staff to implement five recommendations provided in Real Estate Administration, Internal Audit Report No. 25-506.

OCTA

May 14, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit

Subject: Real Estate Administration, Internal Audit Report 25-506

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of real estate administration. Based on the audit, controls over real estate administration could be improved. Five recommendations have been made to develop procedures for implementing fair market adjustments, improve documentation of approval for negotiated lease rates, document reviews of insurance requirements, develop procedures for periodic inspection of leased properties, and to implement procedures for collection of late payment fees.

Recommendation

Direct staff to implement five recommendations provided in Real Estate Administration, Internal Audit Report No. 25-506.

Background

The Real Property Department (Real Property), within the Capital Programs Division, has management responsibilities for properties acquired and owned by the Orange County Transportation Authority (OCTA). The Real Property Policies and Procedures Manual (Policy) outlines responsibilities including managing leases, licenses, and rights-of-entry, conducting fair market analyses of revenue generating real estate interests, monitoring tenant insurance, periodic inspection of leased properties, and coordination with the Accounting Department for revenue collection.

OCTA permanently owns and manages 695.8 acres of rail right-of-way property and acquires additional properties as part of its responsibilities in delivering

highway and rail projects. As of September 2024, OCTA owned 803.58 acres of capitalized real estate property, including bus bases and transit centers. As of October 2024, Real Property manages 165 revenue-generating leases, licenses, and rights-of-entry, with annual collections of $1.69 million and $1.55 million for fiscal years 2022-23 and 2023-24, respectively.

Real Property is staffed with one manager and five real property agents (RPA). Real Property also utilizes two consultant firms, CBRE Group, Inc. (CBRE) under Agreement No. C-0-2160, and Cal Pacific Land Services, Inc. (Cal Pacific) under Agreement No. C-3-2807, to perform various activities including development of initial fair market valuations, assistance with lease negotiations, monitoring of tenant insurance coverage, and development of recommendations for periodic fair market and Consumer Price Index adjustments.

On a monthly basis, Accounts Receivable staff prepares a billing list for the RPAs' review and approval prior to mailing invoices. For any invoices outstanding 90 days or more, Accounts Receivable will send duplicate invoices and notify the RPA of the delinquency. In accordance with California Revenue and Taxation Code, Real Property prepares and files an annual Possessory Interest Report with the County of Orange and notifies the County Assessor's office of revenue-generating agreements, which the leaseholder is responsible for paying taxes on the interest in the property created.

Discussion

Results of initial fair market valuations performed by consultant firms are accepted through informal means, including email and sticky notes, rather than requiring formal reports describing methodology and support for the rate used to determine value. In addition, management has not developed procedures to ensure that periodic fair market value adjustments are implemented in accordance with agreement terms and the Policy. Internal Audit recommends management develop and implement standards for the conduct and documentation of fair market valuations and assessments and require consultant firms to provide opinions of value in writing, including descriptions of the methodology and support for the rates used. Management should also develop and implement procedures to ensure fair market analyses and related adjustments are conducted and applied in accordance with agreement terms and Policy requirements. Management agreed and indicated that an updated appraisal is underway and will be used as the basis for calculating future fair market valuation increases. Management will also develop a procedure to memorialize steps to determine fair market value calculations and decisions as to imposing such increases.

Rate adjustments not applied, or modified, due to negotiation and/or other considerations are not documented and approved as required by the Policy. Internal Audit recommends management comply with the Policy requiring documentation and approval of lease rate adjustments modified or not applied and implement procedures to ensure lease amendments are processed to reflect negotiated rate adjustments. Management agreed and will document consultant calculations, history of negotiations, and the final negotiated rate in each tenant file, and amend licenses to reflect any negotiated adjustments.

There is no evidence that insurance requirements included in lessee agreements are reviewed by the Risk Management Department (Risk Management) for sufficiency, as required by the Policy. Internal Audit recommends Real Property obtain documentation of Risk Management's review and direction as to insurance requirements. In addition, management should consider reviewing and updating license agreements that do not contain insurance requirements or other standard terms and conditions. Management agreed and will request a memorandum from Risk Management to confirm the minimum requirements for license insurance each January. If a potential licensee is requesting a unique or unusual use, the Risk Manager will be made aware so that they can determine if the insurance requirements are sufficient.

There is currently no documented, systematic process to periodically inspect leased properties to ensure compliance with agreement terms and to prevent unauthorized uses. Internal Audit recommends management develop and implement procedures for periodic inspection of properties to ensure compliance with agreement terms and identify unauthorized uses. Inspections should be documented. Management agreed and will identify tenants that require inspection each January and will perform and document the inspections.

Late payment fees, outlined in lease agreements, are not applied. Internal Audit recommends management develop and implement procedures to ensure late payment provisions are enforced. Management agreed and will calculate and document the value of late fees based on the licensee's individual agreement with OCTA and communicate this rate with the tenant and Accounts Receivable.

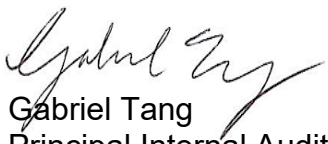
Summary

Internal Audit has completed an audit of real estate administration and has offered five recommendations for improvement.

Attachment

A. Real Estate Administration, Internal Audit Report No. 25-506

Prepared by:



Gabriel Tang
Principal Internal Auditor
714-560-5746

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Real Estate Administration

Internal Audit Report No. 25-506

Revised - April 28, 2025



Audit Team: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Distributed to: Jim Beil, Executive Director, Capital Programs
Andrew Oftelie, Executive Director, Finance and Administration
Joe Gallardo, Bill Mock, Sean Murdock, Rima Tan, Nicole Sanchez

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Real Estate Administration
Revised - April 28, 2025

Table of Contents

Conclusion 1
Background 1
Objectives, Scope, and Methodology 2
Audit Comments, Recommendations, and Management Responses 3
Fair Market Valuation 3
Approval of Rate Adjustments 4
Insurance Requirements 5
Periodic Field Inspections 6
Late Fees 7

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Real Estate Administration
Revised - April 28, 2025

Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of real estate administration. Based on the audit, controls over real estate administration could be improved. Five recommendations have been made to develop procedures for implementing fair market adjustments, improve documentation of approval for negotiated lease rates, document reviews of insurance requirements, develop procedures for periodic inspection of leased properties, and to implement procedures for collection of late payment fees.

Background

The Real Property Department (Real Property), within the Capital Programs Division, has management responsibilities for properties acquired and owned by OCTA. The Real Property Policies and Procedures Manual (Policy) outlines responsibilities including managing leases, licenses, and rights-of-entry, conducting fair market analyses of revenue generating real estate interests, monitoring tenant insurance, periodic inspection of leased properties, and coordination with the Accounting Department for revenue collection.

OCTA permanently owns and manages 695.8 acres of rail right-of-way (ROW) property and acquires additional properties as part of its responsibilities in delivering highway and rail projects. As of September 2024, OCTA owned 803.58 acres of capitalized real property, including bus bases and transit centers. As of October 2024, Real Property manages 165 revenue-generating leases, licenses, and rights-of-entry, with annual collections of $1.69 million and $1.55 million for fiscal years 2023 and 2024, respectively.

Real Property is staffed with one manager and five real property agents (RPA). Real Property also utilizes two consultant firms, CBRE Group, Inc. (CBRE) under Agreement No. C-0-2160, and Cal Pacific Land Services, Inc. (Cal Pacific) under Agreement No. C-3-2807, to perform various activities, including development of initial fair market valuations, assistance with lease negotiations, monitoring of tenant insurance coverage, and development of recommendations for periodic fair market and Consumer Price Index (CPI) adjustments.

Lease, license, and right-of-entry agreements are negotiated by staff and approved by the Executive Director of Capital Programs. The Policy states that insurance requirements should be implemented as determined by OCTA's Risk Management Department (Risk Management). The Policy requires regular review of the terms and conditions of existing agreements and consistent implementation (at least every five years) of fair market adjustments and annual CPI adjustments. Individual agreements also may include terms for the frequency of fair market adjustment, CPI adjustment, and for fees to be assessed for late payments. Recommended lease rate adjustments that are not applied

due to negotiations or other considerations are required to be documented and approved by the executive director.

On a monthly basis, Accounts Receivable staff prepare a billing list for the RPAs' review and approval prior to mailing invoices. For any invoices outstanding 90 days or more, Accounts Receivable will send duplicate invoices and notify the RPA of the delinquency.

In accordance with California Revenue and Taxation Code, Real Property prepares and files an annual Possessory Interest Report (PIR) with the County of Orange. The PIR notifies the county assessor's office of revenue-generating agreements allowing others to use publicly owned property. The leaseholder is responsible for paying taxes on the interest in the property created by the agreement.

Objectives, Scope, and Methodology

The objectives were to assess and test controls over real estate administration.

The methodology consisted of testing compliance with key Policy and agreement requirements, testing compliance with the Capital Asset Management Manual for recording of real property in the accounting system, testing controls for valuation, approval, and new account set-up, testing controls for monitoring of insurance requirements, testing compliance with the Policy and agreement terms for application of fair market and CPI adjustments, testing of invoice controls and application of late payment fees, and testing compliance with requirements for filing annual PIRs.

The scope period was from July 1, 2022 through September 30, 2024, the Active Customer Account Listing from the accounting system as of October 24, 2024, and PIR filings for 2023 and 2024. Judgmental samples were selected with a bias for different types of agreements and to provide coverage throughout the scope period. Testing for application of market and CPI adjustments included a sample of active agreements over five years old as of October 24, 2024, and invoice testing included two invoices per agreement. Since the samples were non-statistical, any conclusions are limited to the sample items tested.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Comments, Recommendations, and Management Responses

Fair Market Valuation

Results of initial fair market valuations performed by consultant firms are accepted through informal means, including email and sticky notes, rather than requiring formal reports describing methodology and support for the rate used to determine value. In addition, management has not developed procedures to ensure that periodic fair market value adjustments are implemented in accordance with agreement terms and the Policy.

Consultant-prepared fair market value opinions for four out of five agreements executed since July 2022, were supported only by calculations sent by email or written on sticky notes without support.

In addition, the Policy requires management consistently implement fair market adjustments; specifically, the Policy states that "…at least every five years, through an independent consultant, conduct a fair market analysis of the revenue-generating real estate interest owned by OCTA." Agreements also include language addressing fair market adjustments to be performed not less than every three or five years from the anniversary date. Despite this, there was no evidence of fair market analyses being performed for 11 out of 15 agreements tested, and the last analyses performed on the remaining four agreements were dated between June 2016 through May 2018, beyond the three-to-five-year requirement per agreement terms and the Policy. The fair market analyses on file for these four utilized a rate of $28 per square foot, without discussion or support as to how the rate was derived.

Recommendation 1:

Internal Audit recommends management develop and implement standards for the conduct and documentation of fair market valuations and assessments and require consultant firms to provide opinions of value in writing, including descriptions of the methodology and support for the rates used. Management should also develop and implement procedures to ensure fair market analyses and related adjustments are conducted and applied in accordance with agreement terms and Policy requirements.

Management Response:

Management agrees with the recommendation. OCTA staff are obtaining an updated rail corridor appraisal, which will be used as the basis for calculating future fair market valuation (FMV) increases. The Real Property Manager will use the appraisal and FMV recommendations from staff and consultants to negotiate FMV increases.

Staff will develop a process requiring a justification memorandum to be sent each January from the Real Property Manager to the Capital Programs Executive Director, recommending either an FMV increase or justifying why an FMV was not imposed on licenses eligible for an increase. The memorandum will document the methodology used to calculate the rate including reference to any source material such as appraisals used.

Approval of Rate Adjustments

Rate adjustments not applied or modified due to negotiation and/or other considerations are not documented and approved as required by the Policy.

The Policy requires that the decision not to apply a rate adjustment be documented, validated by the Real Property Manager, and approved by the Capital Programs Executive Director.

Testing identified three instances whereby a lease rate was reduced from the FMV derived through analysis without documentation describing the negotiated rate and without evidence of approval by the Capital Programs Executive Director. In addition, the two existing lease agreements were not amended to reflect the negotiated rate.

Recommendation 2:

Internal Audit recommends management comply with the Policy requiring documentation and approval of lease rate adjustments modified or not applied and implement procedures to ensure lease amendments are processed to reflect negotiated rate adjustments.

Management Response:

Management agrees with the recommendation. On a monthly basis, staff and/or consultants will calculate Consumer Price Index (CPI) increases and present them to the Real Property Manager for approval and provide Accounts Receivable the approved CPI increases. Rate adjustments will be documented in a memorandum from the Real Property Manager to the Capital Programs Executive Director recommending the agreed-upon rate is considered prudent and in the best interest of OCTA. Lease rate changes resulting from CPI adjustments will not require license agreement amendments. Negotiated adjustments to lease rates will be included in an amendment to the license agreement.

Insurance Requirements

There is no evidence that insurance requirements included in lessee agreements are reviewed by Risk Management for sufficiency, as required by the Policy.

The Policy requires Real Property to implement insurance requirements as determined by Risk Management and consult Risk Management for approval of changes to standard insurance requirements. Discussion with management indicates that Risk Management is consulted; however, this is not documented.

In addition, testing identified two license agreements dated 1957 and 1963, that do not contain any insurance requirements. These licenses were executed by the prior owner of the ROW and have not been updated to include OCTA standard terms and conditions, such as insurance requirements.

Recommendation 3:

Internal Audit recommends Real Property obtain documentation of Risk Management's review and direction as to insurance requirements. In addition, management should consider reviewing and updating license agreements that do not contain insurance requirements or other standard terms and conditions.

Management Response:

Management agrees with the recommendation. Real Property will request a memorandum from Risk Management each January to confirm minimum requirements for insurance for above-ground uses and underground utility company facilities on OCTA property. This will include:

1) Commercial General Liability
2) Automobile Liability
3) Umbrella Liability
4) Workers Compensation and Employers Liability
5) Excess Liability
    a) 2nd and 3rd Layers

If a potential licensee is requesting a unique or unusual use, the Risk Manager will be consulted so that they can determine if the insurance requirements are sufficient. Insurance requirements for improved properties will be discussed and addressed separately by Risk Management. If the insurance requirements change within the calendar year, the Risk Manager will send an updated memorandum.

Real Property reviews tenant insurance certificates to ensure compliance with the insurance terms and conditions in their respective agreements. Staff will initiate discussion with licensees on any changes needed for insurance and other terms and conditions of their license and document the discussions in tenant files.

Periodic Field Inspections

There is currently no documented, systematic process to periodically inspect leased properties to ensure compliance with agreement terms and to prevent unauthorized uses.

The Policy requires Real Property to manage leases, licenses, and rights-of-entry through periodic field inspections to ensure compliance with the terms and conditions of the respective agreements and to manage properties to minimize maintenance and prevent unauthorized uses. Discussion with management confirmed there is currently no systematic process in place; rather, inspections occur when leases are being negotiated or amended, or when inquiries are received.

Recommendation 4:

Internal Audit recommends management develop and implement procedures for periodic inspection of properties to ensure compliance with agreement terms and identify unauthorized uses. Inspections should be documented.

Management Response:

Management agrees with the recommendation. OCTA inspects active tenant leases and licenses intermittently and on an ‘as needed’ basis, as reflected in the Policy and updates approved by the Board of Directors since 2013.

Each January, Real Property will review and identify tenants that would likely require a more recurrent inspection based on the specific site and the tenants’ use of the property. Properties requiring more recurrent inspection will be documented in the tenant file and OCTA’s Real Property and Rail Maintenance-of-Way staff will log inspections performed. Other ‘as needed’ or case-by-case inspections will be performed and documented in the tenant file.

Late Fees

Late payment fees, outlined in lease agreements, are not applied.

Some lease agreements include late payment provisions; however, Real Property has not developed and implemented procedures to apply these fees. Internal Audit noted that late fees were not collected in accordance with the underlying agreement terms for any of the late payments observed during testing.

Recommendation 5:

Internal Audit recommends management develop and implement procedures to ensure late payment provisions are enforced.

Management Response:

Management agrees with the recommendation. Most licenses that incur late fees are from utility companies with facilities transversely crossing OCTA rail and Pacific Electric ROW. Promptly recovering late fees from utility companies has proved challenging.

Real Property will receive a report on all tenants whose payments are 30 days late. Real Property staff will calculate and document the value of late fees based on the license agreement and communicate this rate with the tenant and Accounts Receivable. Staff will ensure that tenants that are 30-day delinquent receive a phone call or e-mail to inform them of late fees and urge prompt payment. At 90 days OCTA will consult with OCTA's Legal Counsel to determine whether to pursue a lease or license violation. This process will be documented in each tenant file that appears on a late fee report.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Transportation Development Act, Triennial Performance Audits

Finance and Administration Committee Meeting of May 14, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, and Tettemer
Absent: Director Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Receive and file the Triennial Performance Audit of the OCTA as the Regional Transportation Planning Entity, fiscal year 2021-22 to fiscal year 2023-24, as an information item.

B. Receive and file the Triennial Performance Audit of the Orange County Transit District, fiscal year 2021-22 to fiscal year 2023-24, as an information item.

C. Direct staff to monitor implementation of recommendations included in the Triennial Performance Audit of the City of Laguna Beach - Laguna Beach Municipal Transit Lines, fiscal year 2021-22 to fiscal year 2023-24.

OCTA

May 14, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit

Subject: Transportation Development Act, Triennial Performance Audits

Overview

Triennial performance audits have been conducted of the Orange County Transportation Authority, the Orange County Transit District, and the Laguna Beach Municipal Transit Lines for fiscal years 2021-22 through 2023-24. These audits are required by the Transportation Development Act. The audits found the Orange County Transportation Authority and the Orange County Transit District in compliance with applicable sections of the California Public Utilities Code.

The Laguna Beach Municipal Transit Lines was found to have met all compliance requirements with respect to applicable sections of the California Public Utilities Code except for filing its fiscal year 2023-24 State Controller's Report within seven months of the end of the fiscal year. The audit offered three recommendations to the City of Laguna Beach to improve implementation of its long-term goals and objectives, strengthen its reporting process, and to ensure timely submissions to the State Controller's Office.

Recommendations

A. Receive and file the Triennial Performance Audit of the OCTA as the Regional Transportation Planning Entity, fiscal year 2021-22 to fiscal year 2023-24, as an information item.

B. Receive and file the Triennial Performance Audit of the Orange County Transit District, fiscal year 2021-22 to fiscal year 2023-24, as an information item.

C. Direct staff to monitor implementation of recommendations included in the Triennial Performance Audit of the City of Laguna Beach – Laguna Beach Municipal Transit Lines, fiscal year 2021-22 to fiscal year 2023-24.

Background

The California Public Utilities Code (PUC) Section 99246 requires that all transit operators and regional transportation planning entities (RTPE) have a triennial performance audit conducted of their activities.

A performance audit is a systematic process of evaluating an organization's effectiveness, efficiency, and economy of operation under management control. The objectives of the audit are to provide a means for evaluating an organization's performance, and to enhance performance by making recommendations for improvement. The audit measures performance against acceptable criteria and focuses on management's planning and control systems. In addition, the audit evaluates the adequacy of an organization's systems and the degree of compliance with established policies and procedures.

The audit approach consists of an assessment of compliance with PUC requirements, a follow-up review of prior performance audit recommendations, a review of transit operator and RTPE functions, and verification and review of performance indicators and trends.

The audits are conducted in accordance with the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008 (third edition),* published by the California Department of Transportation, and Generally Accepted Governmental Auditing Standards.

Discussion

Performance audits of the Orange County Transportation Authority (OCTA) as the RTPE, the Orange County Transit District (OCTD) and Laguna Beach Municipal Transit Lines (LBMTL) as transit operators, were conducted by BCA Watson Rice, LLP (BCA).

OCTA Triennial Performance Audit Results

The audit found OCTA, as the RTPE, complied with the requirements of the Transportation Development Act (TDA) and have generally operated in an efficient, effective, and economical manner during the triennial audit period. The audit report can be found in Attachment A.

OCTD Triennial Performance Audit Results

The audit concluded that OCTD was compliant with the requirements of the TDA and have generally functioned in an efficient, effective, and economical manner during the triennial audit period. The audit report can be found in Attachment B.

LBMTL Triennial Performance Audit Results

The audit concluded that the City of Laguna Beach (Laguna Beach) was compliant with TDA requirements except for failing to submit its State Controller's Report in a timely manner for FY 2024. Laguna Beach successfully addressed five of the six prior audit recommendations. BCA provided three recommendations for improvements to planning and reporting. The recommendations and management responses can be found in Section 7 of the report in Attachment C.

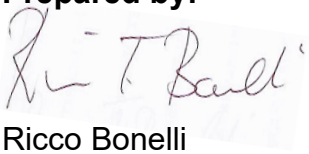
Summary

Triennial performance audits have been conducted of OCTA as the RTPE for the County of Orange, and OCTD and LBMTL as transit operators, for FYs 2021-22 through 2023-24. These triennial performance audits are required by the TDA and California PUC Section 99246.

Attachments

A. Triennial Performance Audit of OCTA as the Regional Transportation Planning Entity FY 2022 to FY 2024
B. Triennial Performance Audit of the Orange County Transit District FY 2022 to FY 2024
C. Triennial Performance Audit of the City of Laguna Beach – Laguna Beach Municipal Transit Lines FY 2022 to FY 2024

Prepared by:



Ricco Bonelli
Principal Internal Auditor
714-560-5384

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591

ATTACHMENT A

Orange County Transportation Authority

Triennial Performance Audit of OCTA as the Regional Transportation Planning Entity FY 2022 to FY 2024

April 2025

FINAL REPORT

Submitted by

BCA Watson Rice, LLP
in association with
Altmayer Consulting, Inc.

TABLE OF CONTENTS

1. Executive Summary 1
2. Background.....3
3. Objectives, Scope and Methodology 4
4. Audit Results 6
A. Program Compliance..... 8
B. Follow-up of Prior Recommendations..... 16
C. Review of OCTA Functions..... 17
D. Overall Conclusions 41

1. Executive Summary

The California Public Utilities Code requires all Regional Transportation Planning Entities (RTPE) to conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding. The Orange County Transportation Authority (OCTA) selected BCA Watson Rice LLP to conduct a Triennial Performance Audit of itself as the RTPE and operator, as well as the Laguna Beach Municipal Transit Lines (LBMTL) to which OCTA allocates funding. This Triennial Performance Audit covers a three-year period beginning July 1, 2021 through June 30, 2024.

This Triennial Performance Audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities.*

The scope for this Triennial Performance Audit of OCTA as the RTPE included four tasks:

- Project Initiation
- Initial Review
- Detailed Review
- Documentation of Performance Audit Results

This Triennial Performance Audit included the following elements:

- Compliance Requirements
- Follow-up of Prior Recommendations
- Review of OCTA Functions
- Findings and Recommendations

Compliance Requirements

To determine OCTA's compliance with requirements of the Public Utilities Code, the audit team identified key compliance requirements, discussed compliance requirements with OCTA representatives, and gathered and reviewed evidence of compliance. OCTA was found to be in compliance with all applicable requirements evaluated as part of this Triennial Performance Audit.

Follow-Up of Prior Recommendations

The prior TDA Triennial Performance Audit completed in 2022 did not include any recommendations related to OCTA's function as the RTPE.

Review of OCTA Functions

We reviewed the following OCTA core functions:

- RTPE Administration and Management
- Transportation Planning and Regional Coordination
- Claimant Relationships and Oversight
- Marketing and Transportation Alternatives
- Grant Application and Management

Overall Conclusions

We find OCTA, as the RTPE, to be in compliance with the requirements of the Transportation Development Act and have generally operated in an efficient, effective, and economical manner during the triennial audit period.

2. Background

The Orange County Transportation Authority (OCTA) was created in 1991 to consolidate the transportation planning and operating agencies within the County of Orange. OCTA performs two major functions which are subject to Caltrans Triennial Performance Audit requirements: regional transportation planning and the operation of a mass transit system.

This Triennial Performance Audit covers a three-year period beginning July 1, 2022 and ending June 30, 2024. The California Public Utilities Code requires all Regional Transportation Planning Entities (RTPE) to conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding. In 2024, OCTA selected BCA Watson Rice LLP to conduct a Triennial Performance Audit of itself as the RTPE and operator, as well as the Laguna Beach Municipal Transit Lines (LBMTL).

This Triennial Performance Audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This Triennial Performance Audit was also conducted in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities.*

3. Objectives, Scope and Methodology

The primary objectives of this Triennial Performance Audit were to determine whether OCTA as the RTPE was in compliance with the requirements of the Transportation Development Act and to determine whether OCTA operated in an efficient, effective, and economical manner during the triennial audit period. The scope of the audit covered the three-year period from July 1, 2022, through June 30, 2024.

The methodology for this Triennial Performance Audit of OCTA as the RTPE includes the following tasks:

- Project Initiation
  - Project Kickoff Meeting
- Initial Review
  - Follow-up on Prior Performance Audit Recommendations
  - Determine Compliance with Legal and Regulatory Requirements
  - Initial Review of RTPE Functions
- Detailed Review
  - Review OCTA Functions
  - Review Management Performance
  - Review Internal Administration
- Documentation of Performance Audit Results
  - Discuss Interim Findings
  - Prepare Draft Audit Report
  - Conduct Exit Interview
  - Present Results to OCTA Board and Policy Committees
  - Prepare and Deliver Final Report and Executive Summary

The following OCTA management team members were interviewed as part of the Triennial Performance Audit:

- Jennifer Bergener, Deputy CEO
- James Beil, Executive Director, Capital Programs
- Kirk Avila, General Manager, Express Lanes
- Maggie McJilton, Executive Director, People & Community Engagement
- Kristin Jacinto, Executive Director, Government Relations
- Ryan Armstrong, Marketing Manager
- Matt Ankley, Department Manager, Security and Emergency Preparedness
- Sean Murdock, Director, Finance and Administration

- Greg Bych, Department Manager, Risk Management
- Ric Teano, Section Manager, Grants Development and Compliance
- Kia Mortazavi, Executive Director, Planning
- Charlie Larwood, Department Manager, Planning & Analysis
- Adriann Cardoso, Department Manager, Programming

OCTA Board members were given the opportunity to be interviewed as part of the Triennial Performance Audit. The following Board member was interviewed:

- Katrina Foley, 5th District Supervisor

4. Audit Results

The following sections provide information on the results of this OCTA Triennial Performance Audit.

Key Challenges and Accomplishments

Some of the key challenges faced by OCTA during the triennium include:

- Changes in significant trends, including remote work and changes in commutes and commute patterns, policy changes moving away from highway and street expansion to focus on increasing the efficiency of the existing system, and Orange County becoming denser and more urban.
- Metrolink significantly impacted by changes in work and commute patterns, requiring additional efforts to help Metrolink regain lost ground and grow ridership.
- Fluctuations within economy and impact on revenues coupled with increasing inflation and an increase in cost of projects.
- The Los Angeles San Diego San Luis Obispo (LOSSAN) Rail Corridor experienced significant mudslides and erosion with rails being pushed toward the ocean requiring major improvements.
- Orange County experienced significant wildfires over the last few years impacting the transportation system.

It is also important to consider the accomplishments achieved by OCTA during the same three-year period. OCTA's accomplishments include:

- Restored bus service and regained ridership to pre-pandemic levels.
- Completed and opened improvements in the San Diego Freeway (I-405) between State Route 73 (SR-73) and Interstate 605 (I-605) including new express lanes with two lanes in each direction.
- Made progress on the construction of the OC Streetcar which will operate along a 4.15-mile route that connects the Santa Ana Regional Transportation Center (SARTC) and a new transit hub at Harbor Boulevard and Westminster Avenue in Garden Grove.
- Developed the 2024 OC Transit Vision Master Plan (OC Transit Vision), which aims to integrate, enhance, and expand multimodal transportation services in

Orange County and establish a framework for future transit investments to include bus, streetcar, microtransit, first/last mile options, and other mobility services for the County.

- Completed and gained approval for the "Directions 2045" Long-Range Transportation Plan outlining sustainable, equitable, and innovative transportation solutions.
- Completed *Making Better Connections Study* to more effectively align transit services with the new post-pandemic demands.
- Expanded Active Transportation including the Bicycle Gap Closure Feasibility Study providing an updated vision for regional bikeway connectivity and the Safe Travels Education Program (STEP) Campaign which delivered Safe Routes to School (SRTS) education and encouragement activities to 25 schools servicing disadvantaged communities.
- Improved access to the transit system by permanently offering free bus rides to all youth ages 6 to 18 and expanding access to College Pass Programs.
- Completed the Human Services Transportation Coordinated Plan to address the needs of individuals with disabilities, seniors, low-income populations, and other Orange County residents with enhanced mobility needs.
- Entered into a new agreement with the union that represents operators to provide higher compensation levels. Additionally, OCTD collaborated with the union to address scheduling and other issues of concern to operators.
- Installed driver protection barriers in over 200 buses contributing to an approximately 50% reduction in operator assaults.
- Reached an agreement with outside contractors to continue contracted fixed route services for lower density routes and for paratransit services.
- Developed an alert system for paratransit riders to provide text notices about arrival times.

A. Program Compliance

This section of the report presents the results of the compliance review of OCTA as the RTPE. The following tasks were performed to complete the compliance review.

- ***Identified Key Compliance Requirements*** for OCTA as defined in the Public Utilities Code, the California Code of Regulations, and other relevant state and federal laws and compliance requirements.
- ***Discussed Compliance Requirements with OCTA Representatives to*** determine if identified requirements are a direct responsibility of OCTA, and to gain an understanding of compliance systems and procedures.
- ***Gathered and Reviewed Evidence of Compliance*** to provide objective evidence of compliance.

The exhibit on the following pages shows the key compliance requirements identified, the results of our compliance review, and comments including how compliance was reviewed and determined.

Conclusion – OCTA is in compliance with all applicable requirements evaluated as part of this Triennial Performance Audit.

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
99231	1. All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	In Compliance	OCTA updates its TDA Guidelines for the Administration of the Act & Preparation of Local Transportation Fund (LTF) and State Transit Assistance (STA) Fund Claims (TDA Guidelines) annually. These guidelines are part of the guidelines established in the OCTA Comprehensive Transportation Funding Program (CTFP). The CTFP Guidelines provides guidelines and procedures necessary for Orange County agencies to apply for funding of transportation projects contained within the CTFP through a simplified and consistent process. Each program has a specific objective, funding source and set of selection criteria detailed in separate chapters contained within these guidelines. Guidelines are updated on a periodic basis in coordination with local agencies working through the Technical Steering Committee (TSC) and Technical Advisory Committee (TAC). Modifications to the guidelines are discussed in detail with the local agency representatives during the TSC and TAC meetings held to review and approve the updated guidelines.
99233 and 99234	2. The RTPE has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	In Compliance	OCTA updates its CTFP guidelines annually. Included in the CTFP selection criteria are projects that incorporate features that are approved in an active transportation plan or if very focused, in active transportation focused sections of other types of plans that improve mobility.

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
			These elements can include bike infrastructure and pedestrian elements.
99238 and 99238.5	3. The RTPE has established a social services transportation advisory council (SSTAC). The RTPE must ensure that there is a citizen participation process which includes at least an annual public hearing.	Not Applicable	PUC Section 99232 and PUC 99238 provide that a SSTAC is not required in a county that had a population of 500,000 or more as of 1970. OCTA does maintain an Accessible Transit Advisory Committee that advises OCTA about issues that relate to OCTA's fixed-route and paratransit services for customers with special transportation needs. This function is managed by Public Outreach within OCTA.
99244	4. The RTPE has annually identified, analyzed and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPE's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit. • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPE, as determined by the RTPE, or else the operator has not received an allocation which exceeds its prior year allocation.	In Compliance	OCTA's TDA Guidelines requires each operator to submit actions taken to address triennial performance audit recommendations as part of their annual TDA claim submittals. In addition, operators must submit performance measures separated by mode of service to evidence key performance trends. This data allows OCTA to conduct a trend analysis to evaluate the efficiency and effectiveness of each operator. In addition, each year within its Comprehensive Business Plan, OCTA provides an evaluation and analysis of fixed-route and paratransit services. OCTA also includes public participation as part of its analytical obligations. OCTA has two committees that focus on transit issues: **Accessible Transit Advisory Committee** – This committee advises on transit issues that relate to

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
			fixed-route and paratransit services for customers with special transportation needs. **Citizens Advisory Committee** – This committee participates in helping examine traffic solutions, providing input to transportation studies and communicating with their constituencies.
99245	5. The RTPE has ensured that all claimants to whom it allocates TDA funds submits to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	In Compliance	As part of its TDA Guidelines, OCTA requires claimants to submit annual fiscal and compliance audits within 180 days after the end of the fiscal year.
99246 and 99248	6. The RTPE has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennial). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPE within 12 months after the end of the triennium. If the operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	In Compliance	Previous Triennial Performance Audit by an independent entity of OCTA and the operators was completed and calculated the required performance indicators, and the audit report was transmitted to OCTA within 12 months after the end of the triennium. Current triennial audit by an independent entity of OCTA and the operators in process and will include calculations of the required performance indicators, and the audit report will be transmitted to OCTA within 12 months after the end of the triennium.
99246(c)	7. The RTPE has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPE has certified in writing to the Director that	In Compliance	Previous triennial audit by an independent entity of OCTA and the operators was completed and reports transmitted to the California Department of Transportation prior to June 30, 2022.

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
	the performance audits of operators located in the area under its jurisdiction have been completed.		Current triennial audit by an independent entity of OCTA and the operators are in process and expected to be completed and submitted to the California Department of Transportation prior to June 30, 2025.
99246(d)	8. The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	In Compliance	Previous triennial audit of operators included a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee; and consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours. Current triennial audit of operators will include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee; and consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours.
99270.1 and 99270.2	9. The RTPE has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	Not Applicable	Requirements related to farebox ratios and revenues were exempted through FY2025-26 by SB125.

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
99275.5	10. The RTPE has adopted criteria, rules and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	In Compliance	In Orange County, OCTA has designated the Orange County Transit District (OCTD) as the public transportation services operator and the Consolidated Transportation Services Agency. Therefore, OCTD is the claimant for Article 4 and 4.5 funds, which are used primarily to fund bus operations. OCTD filed claims with OCTA, with approval by the Board for each of the fiscal years during the triennium.
99310.5 and 99313.3 and Proposition 116	11. State transit assistance funds received by the RTPE are allocated only for transportation planning and mass transportation purposes. (Since the 1990 passage of Proposition 116, state transit assistance funds may no longer be used for street and road purposes, as had been permitted in certain classes under PUC Section 99313.3.)	In Compliance	OCTA is the sole recipient of State Transit Assistance (STA) funding in the County. OCTD is eligible to receive funding from the STA Fund for providing public transportation services throughout Orange County. In order to receive these funds, OCTD, as the public transit and community transit services operator, files claims with the OCTA. The claim filing process for the STA Fund consists of completing the STA Fund Certification, and preparing a staff report and resolution that must be approved by the OCTA Board of Directors. Previous State legislation granted transit operators temporary exemption from meeting efficiency standards for FY's 2019 through 2023. SB125 extended this exemption through FY2025-26.
99314.3	12. The amount received pursuant to Public Utilities Code, Section 99314.3; by each RTPE for state	In Compliance	OCTD is the only recipient of STA revenue in the County. STA funds are included in the Formula

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
	transit assistance (STA) is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.		Allocation process (FAP) for distribution to OCTD. OCTA and the City of Laguna Beach have agreed that Laguna Beach Municipal Transit Lines will receive local funding assistance in lieu of STA funds.
99401.5	13. If TDA funds are allocated to purposes not directly related to public or specialized transportation services or facilities for exclusive use of pedestrian and bicycles, the transit-planning agency has annually: • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to the Public Utilities Code Section 99238; • Identified transit needs, including: • Groups who are transit-dependent or transit-disadvantaged; • Adequacy of existing transit services to meet the needs of groups identified; and • Analysis of potential alternatives to provide transportation services. • Adopted or re-affirmed definition of "unmet transit needs" and "reasonable to meet". • Identified the unmet transit needs or there are no unmet transit needs, or there are unmet transit needs that are reasonable to meet. • If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.	Not Applicable	PUC Section 99232 and PUC 99238 provide that a SSTAC is not required in a county that had a population of 500,000 or more as of 1970. OCTA does maintain an Accessible Transit Advisory Committee that advises OCTA about issues that relate to OCTA's fixed-route and paratransit services for customers with special transportation needs. This function is managed by Public Outreach within OCTA.

Exhibit 1: Compliance Requirements and Compliance Review Results			
PUC Code Section	**Requirement**	**Compliance**	**Comments**
California Code of Regulations, Section 6642	14. The RTPE has caused an audit of its account and records to be performed for each fiscal year by the county auditor or a certified public accountant. The RTPE must transmit the audit report to the State Controller within 12 months of the end of the fiscal year in accordance with the Basic Audit Program and Report Guidelines for the California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements may not commingle the state transit assistance fund, the local transportation fund, or other revenues or funds of any city, county or other agency. The RTPE must maintain fiscal and accounting records and supporting paper's for at least four years following fiscal year close.	In Compliance	Crowe LLP, a firm of licensed Certified Public Accountants, conducted the audit of OCTA's financial statements for FYs 2022, 2023 and 2024. The Comprehensive Annual Financial Report was submitted to the State Controller within 12 months of the end of each fiscal year. FY 2022: November 16, 2022 FY 2023: November 2, 2023 FY 2024: October 31, 2024 OCTA also maintains fiscal and accounting records and supporting papers for at least four years following the fiscal year close.

B. Follow-up of Prior Recommendations

As part of this Triennial Performance Audit, we reviewed the FY 2016-2019 Triennial Performance Audit Report. The prior Triennial Performance Audit completed in June 2022 did not include any recommendations.

C. Review of OCTA Functions

The following OCTA functions were included as part of this Triennial Performance Audit:

1. RTPE Administration and Management
2. Transportation Planning and Regional Coordination
3. Claimant Relationships and Oversight
4. Marketing and Transportation Alternatives
5. Grant Application and Management

For each function, the team:

- ***Reviewed Key Documents*** for each major functional area including organization charts, mission objectives, goals, policy and procedures manuals, operating budgets, any internal or outside reports or studies related to the areas under review, and other pertinent documents related to the organization and operations of the functional area. In addition, the team reviewed Board of Director and applicable committee meeting agendas and minutes, annual budgets, annual reports, Comprehensive Business Plans and other planning documents, and regulatory reporting documents.
- ***Identified Organizational Changes*** to determine whether any significant changes to OCTA's organizational structure have occurred in the three years under review. If significant changes have occurred, the team assessed the effects and determined the impact on the major functional areas under review during the current audit period.
- ***Interviewed Pertinent OCTA Officials*** relevant to each major functional area and identify the goals and objectives of each major functional area. These interviews included discussing accomplishments made over the past three years towards achieving stated goals and objectives, identifying opportunities for improved economy and efficiency in operations, status of prior audit findings and recommendations and other compliance information as appropriate to the interviewee.

The following sections provide the results for each of the functional review areas.

1. RTPE Administration and Management

This section presents the results of the review of OCTA's administration and management functions.

Budget Formulation

Budget formulation is the process of determining the resources necessary for OCTA to carry out its programs, perform its mission and achieve its strategic objectives and goals. The process is more than the preparation of a legal document that appropriates funds for a series of line items, it also has political, managerial, planning, communication, and financial dimensions. A good budget process:

- Incorporates a long-term perspective.
- Establishes linkages to the authority's mission and its organizational goals.
- Focuses budget decisions on results and outcomes and aids in operational planning.
- Involves input from the Board, management, key stakeholder, and the public and communicates the priorities of the authority.

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time but is strategic in nature. The budget process should encompass a multi-year financial and operating plan that allocates resources based on identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

The following sections provide an overview of OCTA's budget development process relative to each of the elements identified as part of a good budget process.

Long-Term Perspective

Long-term financial planning is accomplished in three stages at OCTA: (1) the Long-Range Transportation Plan (LRTP), (2) the Comprehensive Business Plan (CBP) and (3) a near term financial outlook.

OCTA's LRTP is updated every four years. The most recent LRTP, titled Directions 2045, was adopted in May 2023. This plan looks out to the year 2045 to identify strategies that it can begin developing today to meet Orange County's transportation challenges

anticipated for tomorrow. These strategies chart the path that will improve mobility, protect transportation resources, and enhance the quality of life for all Orange County travelers.

The CBP is a financially constrained business-planning tool designed to assist OCTA in implementing its strategic goals and objectives. The CBP encapsulates OCTA's major programs and outlines goals and objectives over the next 20 years, as articulated by the Board. This is accomplished within the framework of sound business practices to provide an effective and efficient multimodal transportation network to the residents of Orange County. Through the use of financial modeling and divisional input and review, a comprehensive study of economic influences and programmatic needs and objectives are incorporated into a business-planning document.

OCTA's financial outlook includes analysis of the economic and financial condition of Orange County, including the employment and real estate outlook, as well as expected sales tax revenues. Detailed economic outlook and sales tax revenue forecasts are obtained from California State University at Fullerton, the University of California at Los Angeles and Chapman University. Detailed revenue forecasts for the Measure M2 and for TDA are also prepared for OCTA by MuniServices/ AvenuInsights. Based on this information, as well as past revenues and trends, the amount of funds from various sources, including local, federal and state sources; as well as farebox and express lane revenue and interest are estimated.

The OCTA Board of Directors (Board) is comprised of 18 individuals that represent Orange County and is responsible for directing and overseeing OCTA. The Board approves the budget by June 30 of each fiscal year. The annual budget establishes the legal level of appropriation for OCTA and includes operating, capital, regional funding, and other components necessary to implement the policy directions contained in previously Board adopted long-term plans such as the LRTP.

Linkages to Organizational Goals

At the beginning of its budget, OCTA sets forth its strategic planning framework that provides a detailed approach to address the needs of the County's transportation system. This framework provides the structure used for the development of the annual budget. These documents include the Long-Range Transportation Plan, the Comprehensive Business Plan, and the Transit Master Plan. Additionally, at the beginning of the calendar year, the Board and CEO develop a list of key initiatives that prioritize what the Authority will focus on in the coming fiscal year.

Focus on Results and Outcomes

Service and program policies and plans translate broad goals into strategies for achieving goals. These policies and plans provide the basis for designing specific programs and services. The FY2024 budget included a focus on the following key results for its programs:

- Measure M2 Transit Program
  - Allocate funds to support Metrolink service in Orange County.
  - Continue the construction of the OC Streetcar Project including a new maintenance and storage facility.
  - Allocate M2 funds and facilitate successful community transit/circulators to offer expanded service in local communities of Orange County.
  - Expand Mobility Choices for Seniors and Persons with Disabilities Program (Project U).
- Transit
  - Implement bus improvements from the Making Better Connections plan.
  - Evaluate non-ADA Transit Network Company pilot program for OC ACCESS eligible customers.
  - Install new hydrogen fueling station at the Garden Grove bus base.
  - Purchase 40, 40-foot FCEB and 10, 40-foot BEB fixed-route buses as well as 112, 20-foot vans, 13, 22-foot cutaway, and 10, 22-foot BEB paratransit vehicles as the current respective fleets reach their useful life.
- Metrolink Rail Program
  - Complete phase 1 Southern California Optimized Rail Expansion (SCORE) projects including the Burbank Junction Speed Improvement, Chatsworth Station Improvements, Marengo Siding Extension, and Rancho Cucamonga Siding Extension projects. These projects will help to upgrade the Metrolink system before the Los Angeles 2028 Summer Olympic and Paralympic Games.
  - Continue commitment to Metrolink's long term Climate Action Plan that addresses climate change, air quality, and other pressing sustainability issues to help advance our aggressive goal for zero emissions by FY 2027-28.
  - Meet Metrolink's Disadvantaged Business Enterprise (DBE) Program overall goal of 14% of contracted business to create a level playing field on which disadvantaged businesses can compete fairly.

- Local Rail Program / OC Streetcar
  - Continue construction of the remaining track, along with installation of street pavements, curbs, gutters and traffic signal poles, Santa Ana Regional Transportation Center tracks, platform station, and station canopies.
  - Finalize equipping, dynamic testing, and inspection for eight vehicles.
  - Continue to evaluate and modify the Eat Shop Play program to expand its impact and increase awareness from the local community through a reallocation of resources.
- Express Lanes
  - Install new Electronic Toll and Traffic Management system equipment onto the new gantries.
  - Maintain customer safety through keeping assistance patrols at current levels to provide the safety support our travelers rely on and expect.
  - Maintain financial stability by continuing OCTA's history of conservative investments, proactive management, and forward-thinking improvements that will allow the 91 Express Lanes to continue offering the dependable, predictable, safe travel alternative that customers have relied on since 2003.
  - Begin the construction phase of the State Route 91 – State Route 55 to Lakeview Ave (Segment 1) project.
- Motorist Services
  - Transition FSP service for four FSP Service Areas to new contracts and contractors.
  - Start new FSP services on the 405 Express Lanes.
  - Migrate the FSP radio system from its current low-band system to OCTA's more reliable cellular-based Open Sky radio system.
  - Issue an RFP or exercise an option term for Call Box and 511 Call Center Services.
  - Continue to work with OCTA's Public section to develop 511 outreach materials and increase 511 outreach through joint public outreach efforts.

Communication with Stakeholders

OCTA's annual budget development process includes opportunities for public input at various stages. Initial opportunities for public comment occur early in the process when the proposed budget is presented to Executive Management and a Board Workshop presentation and draft documents are prepared in April. In May, the proposed budget is

distributed to Board Committee Members and members of the press and public and staff conducts a Budget Workshop with the Board where public feedback and comment are again sought and the budget is further refined. In June the Board conducts a Public Hearing related to the proposed budget. After public comments have occurred, the public hearing is closed and the budget is presented for final approval by the Board.

Internal Controls

Internal controls are processes and structures instituted by an agency to safeguard an organization and minimize risk to its objectives. Internal controls attempt to minimize and mitigate risks and protect assets, ensure accuracy of financial and operational records, promote organizational efficiency, and encourage compliance with policies, rules, regulations, and laws. The internal control environment of an organization is established by top management and includes factors such as management's commitment to structure, accountability, ethical values, and well-documented policies and procedures. The internal control environment is the foundation for all other components of internal control, and it provides discipline and structure for an organization.

Effective programs of internal controls provide reasonable assurance that these objectives are met consistently. Internal controls play an important role in preventing and detecting fraud and protecting the organization's resources. Instituting and applying an effective internal control environment is a sign of proper governance and proactive management.

OCTA utilizes an Internal Audit Department to help ensure the success of operations at the Authority. The Internal Audit Department is responsible for examining and evaluating the Authority's financial, administrative, and operational activities. To ensure independence, the Internal Audit Department reports directly to the Board of Directors but also works with the Chief Executive Officer on administrative matters. The Internal Audit Department develops an annual audit plan and provides quarterly updates on the plan to the Board of Directors. The plan includes a wide variety of auditing services including annual financial and compliance audit oversight, operational reviews, compliance reviews, internal control assessments, investigations, pre-award and post-delivery Buy America reviews, and price reviews.

The Internal Audit Department also works with the Financial and Administration Committee of the Board (Committee). This Committee reviews the annual audit plan and quarterly reports of audit activity, reviews the effectiveness of the internal audit function,

reviews all audit reports, and ensures there are not unjustified restrictions or limitations placed on the Internal Audit Department.

During the triennium the Internal Audit Department completed an external quality assurance, or peer review completed by the Association of Local Government Auditors. The peer review found that the Internal Audit Department's quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Generally Accepted Government Auditing Standards. The peer review team also identified areas in which the Internal Audit Department excels. These include:

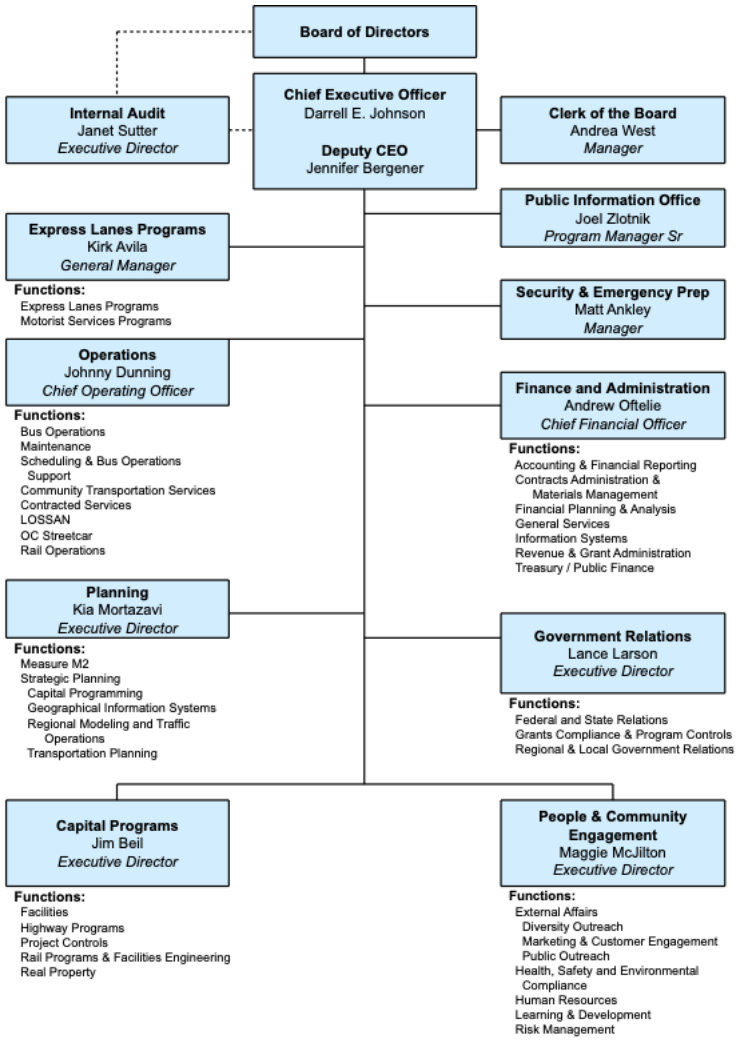
- The internal annual quality control monitoring to evaluate compliance with professional standards is comprehensive and well executed.
- The department is staffed with highly qualified professionals holding a variety of certifications and have a clear commitment to providing continuous professional training and staff development.
- The policies and procedures, templates, engagement programs and workpapers were well organized and designed to help demonstrate compliance with the applicable professional standards.

Organization and Reporting Structure

An organization's structure should be aligned to focus on its core functions and strive to reduce organizational inefficiencies. The structure should reflect the priorities of the organization, facilitate effective service delivery, promote proactive problem solving, ensure consistency of direction and management control, minimize obstacles and barriers to performance, and stimulate a culture of shared accomplishment and teamwork.

OCTA is a multi-dimensional organization responsible for serving the transportation and transit needs for the entire County. The legislation creating OCTA gives it the authority to establish the organizational structure but requires OCTA to have a transit construction unit for public mass transit guideway projects (construction role), an operating unit responsible for the operation of bus and public mass transit guideway routes (operations role), and a transportation planning and programming unit (RTPE role). The following exhibit shows OCTA's organization structure for FY 2024.

Exhibit 2:
FY 2024 OCTA Organization Chart



Source: OCTA Comprehensive Annual Financial Report FY2024

Organizational stability is important for OCTA to maintain the appropriate focus on achieving its mission and key goals. Major reorganizations can be disruptive and detract from this focus as energy and effort and, in general, should occur infrequently and be supported by very clear analysis and rational for the changes. Over the course of the triennium, OCTA did not have any major changes to its structure.

Management Controls over the Expenditure of Funds

It is critical for management to implement controls over the expenditure of funds to provide reasonable assurance that the objectives of the Authority will be achieved. Effective controls can include ensuring the budgets are linked to short- and long-term planning goals, and diligent budget monitoring.

OCTA has developed a series of planning tools to ensure its objectives are clearly defined. Through the LRTP, the CBP, and the Board and CEO Initiatives and Action Plan (more fully described below), the Authority sets forth short and long-term objectives that are connected to key funding sources. These tools allow for the development of a budget that is linked directly to the Authority's goals.

Once the budget is developed and approved, OCTA utilizes a series of internal tools to ensure that monies allocated to specific programs and departments is spent accordingly:

- On a monthly basis, the Finance and Administration Department (F&A) conducts a budget-to-actuals analysis for departmental and major project expenses. The goal is to identify unexpected levels of spending. Where the potential for overspending is identified, F&A works with the applicable project manager to evaluate the cause and if any corrective action is required.
- F&A also provides contract oversight of any operator contracts more than $1 million to ensure that burn rates and overall contract expenditures are within the expected level of expenses over the life of the contract.
- On a quarterly basis, both the Finance and Administration Committee and the Board is presented with a budget-to-actuals report. The intent is to provide transparency and accountability for budgetary expenditures with a focus on ensuring major projects and categories of expenses are being spent according to budget. If necessary, the Authority will present to the Board for approval a mid-year budget adjustment to allocate additional monies to a project, allowing the Board and the public an opportunity to provide input.

The foregoing structure is well designed to ensure that the expenditure of funds is used consistent with the goals and long-term objectives of the Authority as well as the restrictions set forth in various types of funds (e.g., State Transit Assistance Program, Orange County Unified Transportation Trust, and Measure M).

Conclusion: OCTA's administrative and management structure and processes provide an effective framework for the Authority to achieve its organization's goals.

Transportation Planning and Regional Coordination

The planning and programming needs related to transportation in the County are unique and diverse. The County's transportation system includes a vast freeway network, high occupancy vehicle and toll/express lanes, a Master Plan of Arterial Highways, extensive fixed-route and demand response bus services, commuter rail, and active transportation including bicycle and pedestrian facilities. OCTA is responsible for the planning and coordination of the County transportation system as well as linkages with other regional systems.

Successfully planning and programming transportation funds requires several key elements including accurately forecasting available funds, developing criteria for evaluating funding options, evaluating capital funding requests, and balancing revenue and expenditures. To facilitate these efforts, OCTA develops both short and long-range planning tools including the following:

Long-Range Transportation Plan (LRTP)

OCTA's LRTP is updated every four years. The most recent LRTP, titled Directions 2045, was adopted in May 2023. This plan looks out to the year 2045 to identify strategies that it can begin developing today to meet Orange County's transportation challenges anticipated for tomorrow. These strategies chart the path that will improve mobility, protect transportation resources, and enhance the quality of life for all Orange County travelers.

The Directions 2045 LRTP identified five key factors that would impact transportation in Orange County and influenced the development of the Plan. These are:

- ***Growing Travel Demand and a Built-Out Roadway System*** – As population, housing and employment grow, so do daily trips and congestion. Road and freeway widening opportunities are limited by land availability and potential community impacts.
- ***Evolving Travel Trends*** – Long-term implications of COVID-19 on travel patterns will take time to understand. Transit ridership has declined nationwide since the Great Recession. Emerging technologies and services are changing travel behaviors. With years of jobs outpacing housing availability, more people are commuting into Orange County.
- ***Increasing Climate-Related Risks*** – Orange County residents and infrastructure are impacted by high heat, wildfires, drought, coastal flooding, and inland flooding.

State and regional plans and policies include strategies to meet ambitious greenhouse gas emissions reduction goals.

- ***Changing Funding Outlook*** – Orange County's local transportation sales tax is set to end in 2041. The state is leveraging its more than $5 billion transportation budget to reduce greenhouse gas emissions and address inequities in transportation.
- ***Diversity, Equity, and Inclusion*** – Nationwide, disadvantaged populations have historically been disproportionately burdened by transportation inequities that have limited access to opportunities. Policies and practices need to be considered to make transportation options more equitable for all.

The Directions 2045 LRTP also outlined four ongoing goals. These are:

Goal 1: Deliver on Commitments - Prioritize the voter-approved OC Go programs and fulfill OCTA's responsibility for providing safe and reliable transit service.

Goal 2: Improve System Performance - Improve overall travel conditions with conventional and innovative solutions that respond to Orange County's growing travel demand.

Goal 3: Expand System Choices - Provide travelers with convenient and equitable travel options and reduce the number of single occupant vehicle (SOV) trips.

Goal 4: Support Sustainability - Include adaptation and resiliency strategies that reduce climate-related risks, while also supporting Orange County's economy, infrastructure maintenance, and environmental health.

While the LRTP has a 20-year outlook, the plan also includes a Short-Term Action Plan focused on Orange County Planning Activities (e.g. coordination with local partner agencies, South Orange County mobility, corridor studies and improvements, etc.), Regional Planning Activities (e.g. trade corridors/goods movement, countywide Express Lanes Strategic Plan, etc.), Emerging Issues (e.g. monitor new technology, connected infrastructure needs assessment, etc.) and Transportation Outreach and Education (e.g. active transportation safety, transit use and trip planning, etc.).

Comprehensive Business Plan (CBP)

The CBP is a financially constrained business-planning tool designed to assist OCTA in implementing its strategic goals and objectives. The CBP encapsulates OCTA's major programs and outlines goals and objectives over the next 20 years, as articulated by the

Board. This is accomplished within the framework of sound business practices to provide an effective and efficient multimodal transportation network to the residents of Orange County. Through the use of financial modeling and divisional input and review, a comprehensive study of economic influences and programmatic needs and objectives are incorporated into a business-planning document.

Board and CEO Initiatives and Action Plan

At the beginning of each year, the OCTA Board of Directors, working with the CEO's Office, develops the key initiatives and actions for the following fiscal year. The document prioritizes the Authority's strategic direction to allow for a budget that is aligned with the Authority's near-term goals and objectives. The following exhibit shows the Board and CEO initiatives for 2024.

Exhibit 2:
2024 Board and CEO Initiatives



Source: OCTA FY2024-25 Approved Budget

Detailed Plans and Studies

In addition to the LRTP, the CPB and Board and CEO Initiatives, OCTA routinely develops more detailed plans and studies related to individual issues within the County. These more specific plans and studies set forth the next steps in a series of key operational and capital plans.

The following are some of the plans and studies completed or underway during the triennium.

Completed Studies and Plans

- ***SR-91 Comprehensive Multimodal Corridor Plan Study*** - Studied a 23-mile stretch of SR-91, located in the County of Orange from the Los Angeles to Riverside county lines.
- ***Mobility Hubs Study*** - Studied mobility hubs as a potential strategy for bringing together various mobility services, amenities, and technologies all in one place to connect travelers more conveniently to their destinations.
- ***South County Multimodal Transportation Study*** - Over the next 25 years, the population in south Orange County is anticipated to grow by 16 percent (about 170,000 residents), and employment is expected to grow by 18 percent (about 130,000 jobs). This study addressed south Orange County's mobility needs through the year 2045.
- ***Beach Boulevard Corridor Study*** - Completed a study to analyze and develop options to improve Beach Boulevard mobility options from Pacific Coast Highway in Huntington Beach to Whittier Boulevard in La Habra; and to evaluate possible improvements necessary to support local land use visions.
- ***Rail Infrastructure Plan*** - Conducting a study about how climate change effects the Orange County rail corridor. The study will identify opportunities and challenges to improve service, operation, and infrastructure to better withstand severe weather conditions.
- ***Hazard Mitigation Plan*** - Developing a hazard mitigation plan designed to support current OCTA emergency and crisis management plans and to strengthen the organization's preparedness to natural hazards. Examples of natural hazards include flooding, earthquakes, and wildfires.

- ***Connect OC-LA Transit Study*** - Studying existing and future transit connections between Orange and Los Angeles Counties. The Connect OC-LA Transit Study will identify both short and long-term improvements to the transit infrastructure and services between the two counties.
- ***Bus Rapid Transit on Freeways Study*** - Studying the development of two Freeway Bus Rapid Transit (BRT) routes on Interstate 5 (I-5) and State Route 55 (SR-55). The Freeway Bus Rapid Transit Concept Study will identify improvements to infrastructure and transportation solutions for potential Bus Rapid Transit (BRT) routes and identify stops along each corridor.
- ***Bristol Street Transit Corridor Study*** - Initiated a study to analyze and develop options to improve Bristol Street mobility options from West 17th Street to Sunflower Avenue; and to evaluate possible transit connections between this corridor and the John Wayne Airport.
- ***PCH Corridor Study*** - Pacific Coast Highway (PCH) is a major corridor that links Orange County's six coastal cities—Seal Beach, Huntington Beach, Newport Beach, Laguna Beach, Dana Point, and San Clemente. The goal of the study was to identify, evaluate, and recommend long-term multimodal improvement recommendations both on a corridor-wide and subarea-wide basis.
- ***Central Harbor Boulevard Transit Corridor Study*** - Study to analyze and develop options to improve Harbor Boulevard's transit systems from Westminster Boulevard in Santa Ana to Chapman Avenue in Fullerton.
- ***Irvine-Corona Expressway*** - SR-91 is a transportation corridor with strategic value and local, regional and national significance. Every day, the SR-91 connects hundreds of thousands of commuters living in Riverside County with employment centers in Orange County, and vice-versa.
- ***South County Major Investment Study -*** The ability to efficiently move people, goods and services is critical for the sustained economic growth and quality of life in Orange County. Due to rapid growth in both residential development and employment, south Orange County residents are finding it increasingly difficult to avoid traffic congestion. I-5 is the main transportation corridor in the South County area. It is an eight-lane highway with traffic volumes as high as 350,000 vehicle trips per day.

- ***Pacific Electric Right of Way Study*** - Follow up to the Orange and Los Angeles Intercounty Transportation Study that was completed in July 2008, the Southern California Association of Governments (SCAG), in coordination with OCTA and Los Angeles County Metropolitan Transportation Authority (METRO), is conducting a study to assess the feasibility of transit service along the Pacific Electric Right of Way connecting Orange and Los Angeles counties.
- ***LOSSAN Grade Separations*** - OCTA owns over 40 miles of operating railroad right-of-way in Orange County along the LOSSAN rail corridor. In 2005, OCTA completed the Orange/Olive Grade Crossing Study, which presented a ranking of 51 at-grade rail-highway crossings (grade crossings) along the LOSSAN rail corridor, including both the Orange and Olive subdivisions.
- ***55 Newport Blvd Study -*** The City of Costa Mesa identified congestion on SR-55/Newport Boulevard as a significant quality of life issue for adjacent residential and business communities. As a result, the City of Costa Mesa requested that OCTA partner with the City of Newport Beach to study alternative improvements to the extension of SR-55 in the City of Costa Mesa.

Plans and Studies Initiated and Underway

- ***Bus Stop Safety and Accessibility Plan*** - A collaborative study to identify safety and access improvements near some of the highest ridership bus stops in Orange County. The Bus Stop Safety and Accessibility Plan will leverage community engagement with comprehensive technical analysis to recommend safety enhancements and access improvements for pedestrians accessing OC Bus transit stops.
- ***Orangethorpe Transit Village Study*** - In partnership with the City of Fullerton, the study will explore the potential for transit-supportive development at the Fullerton Park and Ride Facility.
- ***Harbor Boulevard Transit Signal Priority Study*** – A study to enhance bus travel times and reliability by implementing technology that would prioritize buses at signalized intersections.
- ***Bikeways Connectivity Study*** - To identify streets on the Master Plan of Arterial Highways (MPAH) that are forecasted to have excess roadway capacity and can potentially accommodate Class IV bikeways.

- ***Transit Optimization Study*** - Identifying where transit operating speeds are slower than expected, often referred to as 'chokepoints' and developing strategies to improve transit travel times.
- ***Orange County Coastal Rail Resiliency Study*** - Studying rail challenges in south Orange County to assess existing and future environmental risks and issues with operations and maintenance along the LOSSAN Rail Corridor.
- ***OC Connect*** - Studying the development of a biking and walking trail connection along the former Pacific Electric Right-of-Way (PE ROW) corridor in Santa Ana and Garden Grove.
- ***A Transit Master Plan for Orange County*** - A 30-year plan for enhancing and expanding public transit service in Orange County.
- ***Orange County Transportation Demand Management Plan*** - Will provide recommendations that shift trips away from those driving alone and expand access to alternative travel options.
- ***Bike Gap Closure Study*** - To create seamless connections for people to bike, walk, and connect to some of California's most scenic beaches and inland reaches.
- ***Making Better Connections Study*** - Will examine ways to redesign the bus service to increase focus on the evolving needs of customers.
- ***OC Active Report*** - First countywide Active Transportation Plan for Orange County that addresses both bicycle and pedestrian networks. OCTA has developed this plan to provide a framework for bikeway and pedestrian planning across the county, and to be compliant with the Caltrans Active Transportation Program guidelines.
- ***Congestion Management Program*** - Proposition 111 made additional funding available for transportation projects through a nine cent increase in the state gas tax and mandated that each county with 50,000 or more residents develop a Congestion Management Program.
- ***Human Services Transportation Coordinated Plan 2024*** - Transportation plays a critical role in providing access to employment, medical and health care, education and other community services and amenities.

- ***State Route 91 Implementation Plan*** - Annually prepares a long-range plan for improvement along the SR-91 corridor between SR-57 in Orange County and I-15 in Riverside County.

Conclusion: OCTA has planned and programmed transportation funds and addressed the challenges faced methodically, effectively, and efficiently over the triennial audit period.

2. Claimant Relationships and Oversight

As the RTPE, OCTA is responsible for programming local, federal, and state-sourced funds towards projects that will improve transportation in Orange County. These include:

- ***Measure M Funding Programs*** - Cities and the County of Orange are eligible to receive local sales tax net revenues for projects through competitive calls for projects.
- ***Federal Funding*** - Federal dollars are available for projects meeting certain criteria, through various calls for projects.
- **State Funding** - State dollars are available for projects meeting certain criteria, through various calls for projects.
- **Call for Projects** - OCTA's calls for projects allocate available local, federal, and state funds through a competitive process to improve all modes of surface transportation.

Each of Orange County's 34 cities, as well as the County of Orange, are eligible to receive transportation funds. To allocate funds, OCTA develops specific eligibility requirements, holds workshops to explain the requirements and the allocation process, develops guidelines for specific elements of various funding programs, develops forms and templates for submitting claims and reporting expenditures, and manages and tracks payments to each eligible agency.

Fund Allocation Input, Advice and Technical Assistance

OCTA has established a series of committees to provide input, advice and technical assistance into issues affecting transportation within the County and the allocation of transportation funding. These include:

Technical Advisory Committee (TAC)

The TAC provides OCTA staff with technical advice on issues primarily related to M2 competitive grant programs that serve to improve capacity on local streets and roads. The TAC is comprised of 35 representatives, one from each Orange County city as well as the County of Orange. Each local agency is responsible for nominating a member that will represent their community's interests in these discussions. In addition to the 35 voting members, the California Department of Transportation, and the Transportation Corridor Agencies have non-voting members who also attend and provide input.

Technical Steering Committee (TSC)

The TAC uses a TSC to review programming recommendations and provide policy direction on major technical issues prior to submittal to the full TAC. The TSC consists of nine voting members nominated by the TAC and ultimately approved by the OCTA Board of Directors. Additionally, there is one Caltrans ex-officio member appointed by the Caltrans District Director. The nine voting member positions are comprised of one position for each of Orange County's five supervisorial districts, two at-large positions, and the TAC chairman and vice-chairman.

Citizen Advisory Committee (CAC)

The CAC actively participates in helping examine traffic solutions, providing input to OCTA's transportation studies and communicating with their constituencies. During the year, committee members are asked to participate in roundtable discussions and hear special presentations on various transportation projects, programs and services. The CAC has 34 members and meets quarterly. The CAC also has a Bicycle and Pedestrian Active Transportation subcommittee as a permanent subcommittee which provides input and advice on projects, studies and outreach regarding bicyclists and pedestrians. Major responsibilities Include:

- Identifying opportunities for community input.
- Recommending mechanisms and methodologies for obtaining public opinion on specific transportation issues.
- Serving as a liaison between the public and OCTA.
- Commenting on significant transportation issues and suggesting possible solutions.

Accessible Transit Advisory Committee (ATAC)

ATAC advises OCTA about issues that relate to OCTA fixed-route transit and paratransit services for customers with special transportation needs. The ATAC was originally formed in 1992 in response to the Americans with Disabilities Act and formalized the predecessor "504 Committee." The ATAC is composed of 34 members representing a broad base of individuals with disabilities and senior citizens in the county. The ATAC meets quarterly, and major responsibilities Include:

- Advising OCTA about issues that relate to OCTA transit and paratransit services.
- Recommending the appropriate mechanism for obtaining disabled and senior service users' input on issues, i.e., focus groups, surveys, public meetings, et cetera.
- Communicating with care providers and agency clients regarding service-related information.
- Assisting with special needs service evaluations.

Taxpayer Oversight Committee (TOC)

The TOC is an independent committee formed after the passage of Measure M in 1990. The committee upholds the integrity of the measure by monitoring the use of OC Go (formerly Measure M) funds and ensuring that all revenue collected from OC Go is spent on voter-approved transportation projects. The TOC meets quarterly. Responsibilities of the 11-member committee include:

- Ensure all transportation revenue collected from Measure M2 (also known as OC Go) is spent on the projects approved by the voters as part of the Transportation Investment Plan (TIP).
- Participate in ensuring that all jurisdictions in Orange County conform with the eligibility requirements of Measure M2 prior to receiving sales tax monies.
- Review yearly independent audits and hold annual public meetings to determine annually whether the Authority is proceeding in accordance with the TIP.
- Receive and review triennial performance assessments of the Orange County Local Transportation Authority regarding the performance of the Authority in carrying out the purposes of the Measure M2 Ordinance.

- Approve by a 2/3 vote any amendment to the Plan proposed by the Authority which changes funding categories, programs or projects identified in the TIP.
- In addition, any proposed change in allocations among the four funding categories of the TIP must be approved by a 2/3 vote of the TOC as well as the OCTA Board of Directors and approved by a simple majority vote of the electors.

The TOC has two subcommittees, the Audit Subcommittee and the Annual Eligibility Review Subcommittee. The Audit Subcommittee reviews the OC Go (formerly Measure M) Revenue and Expenditure Quarterly Report to track the financial progress of OCTA in the implementation of OC Go. It also reviews the results of the annual LTA audit and uses the results of both tools to determine if the Authority is proceeding in accordance with the OC Go Ordinance on an annual basis. The Annual Eligibility Review Subcommittee reviews each local jurisdiction's documents submitted for the Congestion Management Program, Mitigation Fee Program, jurisdiction expenditure reports, Local Traffic Signal Synchronization Plan and Pavement Management Plan.

Transportation Funding Oversight

OCTA is responsible for ensuring that each of the County's operators submit annual audited financial statements and monthly operating statistics. OCTA reviews the productivity of its operators monthly. Additionally, OCTA is responsible for ensuring that both OCTD and LBMTL participate in the TDA Triennial Performance Audit every three years.

TDA Claims Processing

In the County, OCTA is responsible for administrating TDA funds which includes LTF and State Transit Assistance Fund (STAF) revenues. This includes the authorization to instruct the County's Auditor-Controller to disburse funds for claims approved by OCTA. OCTA's Board of Directors has directed the use of LTF revenues for operating expenditures and STAF revenues for capital and operations expenditures. OCTA has developed processes for the submission of TDA claims to ensure the efficient and timely distribution of funds to claimants monthly.

Conclusion: OCTA has effectively carried out its responsibilities for claimant relationships and oversight during the triennial audit period.

3. Marketing and Public Relations

OCTA is responsible for promoting public transportation and transportation alternatives within the County. OCTA has two functions focused on marketing and public relations – Marketing and Customer Engagement and Public Outreach.

Marketing and Customer Engagement is OCTA's promotions and customer relations group. It is responsible for providing customer feedback for OCTA bus, local rail, and ACCESS paratransit services. This includes gathering customer feedback through customer roundtables and the Accessible Transit Advisory Committee. Staff also provide technical expertise and tools to support communication and marketing goals as well as produce public information materials in support of OCTA's internal and service communication programs. This group also administers OCTA's rideshare and vanpool programs, promote usage including bus, local rail, and 91 Express Lanes and oversees the operation of the customer information center, assisting customers with trip planning and general information to transit riders.

Public Outreach focuses on public communications in support of all phases of capital project development, planning, and construction for OCTA's projects, programs, and services. This includes implementing public outreach and involvement programs to inform any affected parties and advance the development of transportation projects. Working with stakeholders, Public Outreach ensures that the planning and environmental review process reflects a diverse range of positions, opinions, and concerns. In addition, outreach staff inform the public about upcoming construction activities and help to mitigate construction impacts. Public Outreach also assists other OCTA departments and divisions to communicate effectively to the diverse stakeholder audiences and customers of OCTA's projects, programs, and services.

During the triennium OCTA has also completed a number of surveys to gauge the public's perception of key OCTA programs as well as key trends that could impact its services. These include the M2 Comprehensive Review Quantitative Survey, the 2022 Employment and Travel Survey, and the 2024 Rider Safety Perception Study.

The M2 Comprehensive Review Quantitative Survey was designed to provide OCTA with an objective, statistically reliable assessment of Orange County voters' awareness, perceptions, opinions, and priorities as they pertain to OCTA and the many projects, programs, and services provided by the Authority under the M2 Investment Plan. More specifically, the study was designed to measure and track perceptions of OCTA and the agency's role in implementing safe, equitable, and efficient transportation solutions,

explore how the public prioritizes among key transportation projects, programs, and capital investments that are part of the M2 Investment Plan, and gather feedback on important issues and policy decisions that OCTA faces in an environment characterized by declining revenues, increasing costs, shifting demand, and emerging technologies. The 2024 survey also presents an opportunity to identify the extent to which Orange County residents' views on transportation issues and priorities may have shifted since the first M2 Comprehensive Review was completed in 2015. Key conclusions from the survey results include:

- There is clear evidence that voters support nearly all of the projects and services that are funded by Measure M—as well as those that could receive funding in the future. Moreover, the relative priority they assign to specific projects and improvements has remained quite stable over the past decade.
- Voters gave highest overall quality and condition ratings to the 405 Express Lanes (54% excellent or good), followed by ACCESS paratransit service (51%), the overall quality and condition of freeways (47%), overall quality and condition of the 91 Express Lanes toll road (46%), and the overall quality and condition of city streets (43%). All of the remaining items were rated similarly, with a combined excellent or good rating between 36% and 40%.
- Among those with an opinion of OCTA, views were generally positive. Those with favorable opinions of OCTA in 2024 (59%) outnumbered those with unfavorable opinions (20%) by nearly 3 to 1. The percentage of respondents with a favorable opinion of OCTA has steadily increased over time, from 42% in 2011 to 59% in 2024.

The 2022 Employment and Travel Survey was completed to measure how the coronavirus (COVID-19) pandemic altered public attitudes, working arrangements, travel behaviors, mode choice, rideshare, and trips in short-term (three months into the pandemic). It was also intended to identify the degree to which changes have endured since the pandemic, profile pros/cons of remote work from employees' perspectives and explore employees' expectations regarding future work arrangements and commutes.

Key conclusions from the survey results include:

- The COVID-19 pandemic has had dramatic impacts on employment, working arrangements, and travel behavior in Orange County in early months.

- Orange County appears to have reached a new normal for remote work, double pre-pandemic levels.
- Travel and activity patterns stabilized between August 2021 and August 2022, except for commute driving.

The 2024 Rider Safety Perception Survey focuses on passengers' perception of personal safety on the bus, without experiencing harassment. The survey was completed by sampling passengers from the entire system by different routes and times. The survey was available in English, Spanish, Vietnamese, Mandarin, and Korean. Five Focus Groups sessions were also held, including women only, LGBTQIA+, Spanish language speakers, Vietnamese language speakers and Persons with Disabilities. Key findings from the survey include:

- More than three-quarters of OC Bus riders frequently or always felt safe using OC Bus during the past year.
- Roughly half of OC Bus riders have seen and/or experienced some form of harassment on OC Bus but rarely report it.
- Demographic characteristics play a role in the perception of safety on OC Bus.
- Most riders feel safe and do not take any additional safety precautions when using OC Bus (60%), but some riders reported not traveling at night (26%).

Through this research, OCTA is both using market research and voter and rider surveys to communicate more effectively with the public and evaluate transportation needs moving forward.

Conclusion: OCTA has adequately promoted public transportation and transportation alternatives within the County over the triennial audit period.

4. Grant Applications and Management

As the RTPE, OCTA is responsible for programming local, state, and federal source funds towards projects that will improve transportation in the County. Through various calls for projects, OCTA makes state, federal, and local funding available to the 34 incorporated cities and the County of Orange. Depending on eligibility, local agencies and organizations are also welcomed to apply but must go through one of the 34 incorporated cities or county. The different calls for programs include:

- Comprehensive Transportation Funding Program (OCGo / Measure M2)
- Enhanced Mobility for Seniors and Disabled Grant Program
- Bicycle Corridor Improvement Program
- Pavement Management Relief Funding Program
- 2023 Orange County Complete Streets Program
- Surface Transportation Block Grant / Congestion Mitigation and Air Quality Program

OCTA has established guidelines which detail the competitive process for each of the calls for projects (CFP) programs and manages each CFP individually. Information is provided to potential applicants through OCTA's website and includes:

- Purpose and authority for the program
- Eligible applicants
- Implementation timeline
- State-Local Partnership Program Formula Grant Details
- Measure M2 fair share match requirements
- Compliance monitoring unit requirements
- State-local partnership program formula grant program eligible projects
- Minimum information for nomination of projects
- Eligible expenditures
- Provisions of use
- Timely use of funds requirements
- OCTA contacts to obtain additional information

A grant application workshop is held to assist applicants in the development of their applications and a workshop on how to manage the grant process for applicants awarded grants. A detailed schedule that includes when the applications open, the application deadline and approval of projects is also provided.

Conclusion: OCTA has adequately carried out its responsibilities for programming local, state, and federal source funds towards programs and projects that will improve transportation in the County over the triennial audit period.

D. Overall Conclusions

We find OCTA, as the RTPE, to be in compliance with the requirements of the Transportation Development Act and have generally operated in an efficient, effective, and economical manner during the triennial audit period.

ATTACHMENT B

Orange County Transportation Authority

Triennial Performance Audit of the Orange County Transit District

FY 2022 to FY 2024

April 2025

FINAL REPORT

Submitted by

BCA Watson Rice, LLP
in association with
Altmayer Consulting, Inc.

Table of Contents

1. Executive Summary 1
2. Performance Audit Approach and Methodology 3
3. Background, Challenges, and Accomplishments 7
4. Compliance Review 13
5. Operational Performance Trends 17
6. Functional Review 25
7. Conclusion 30

Summary of Exhibits

Exhibit 1: Summary of Transit Fares
Exhibit 2: Compliance with PUC Requirements
Exhibit 3: Compliance Data Consistency
Exhibit 4: Prior Audit Recommendations and Findings
Exhibit 5: System-Wide Performance
Exhibit 6: Fixed Route Performance (Directly Operated)
Exhibit 7: Fixed Route Performance (Purchased Transportation)
Exhibit 8: Demand Response Performance (Including Taxi)
Exhibit 9: Vanpool Performance
Exhibit 10: Operating Costs By Function
Exhibit 11: Operations Performance
Exhibit 12: Maintenance Performance
Exhibit 13: Administrative Performance

1. Executive Summary

This report presents the results of the triennial performance audit of the Orange County Transportation Authority's (OCTA) public transit program operated by the Orange County Transit District (OCTD). The purpose of the audit is to provide a tool for OCTA, OCTD management, and the California State Department of Transportation (Caltrans) to review performance trends, evaluate compliance with California's Transportation Development Act (TDA), and obtain a high-level review of key functional achievements and challenges during the audit period. This triennial performance audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and in accordance with the processes established in the Caltrans TDA Performance Audit Guidebook under California Public Utilities Code (PUC) Section 99246.

The three-year period audited encompasses the period from July 1, 2022 through June 30, 2024. The performance audit included the following work scope:

- **Compliance with PUC –** ensuring compliance with applicable PUC requirements.
- **Data Collection and Reporting –** verification of TDA data collection and reporting procedures.
- **Prior Audit Recommendations –** reporting on implementation of the prior triennial performance audit recommendations.
- **Performance Trends –** summaries of performance indicators for the audit period.
- **Functional Review –** high-level review of key functional areas to identify operational and management improvements.

COMPLIANCE WITH PUC

OCTD met all compliance requirements with respect to the PUC Section 99246.

DATA COLLECTION AND REPORTING

OCTA effectively collects data to monitor OCTD's system's key performance indicators to minimize service inefficiencies and reallocate services where it is most needed.

OCTD was mostly consistent with its reporting of key financial and operating statistics between the various agencies. Noted discrepancies among the reporting included non-financial data consistency between the State Controller's and National Transit Database (NTD) reports related to FTEs.

PRIOR AUDIT RECOMMENDATIONS

OCTD sufficiently addressed the prior performance audit recommendations related to non-financial related data reporting.

PERFORMANCE TRENDS

OCTA's *Comprehensive Business Plan* establishes OCTD's overall system of goals and objectives and connects long range service plans to a fiscally responsible financial planning process. OCTD transit operations adjusted its services to improve productivity and attract new riders.

FUNCTIONAL REVIEW

OCTD has made significant progress on its Board–directed initiatives, including its vehicle electrification program by approving the purchase of 50 new zero emission buses towards achieving its goal of being 100% zero emissionsons by 2040. It also became the first large transit agency in the region to permanently offer free bus rides to all youth ages 6 to 18. It also expanded access by extending partnerships to renew College Pass Programs. Finally, in 2022, OCTA approved a Long-Range Transportation Plan.

Findings and Conclusion

We find that OCTD is in compliance with the requirements of the Transportation Development Act. In addition, OCTD generally functioned in an efficient, effective, and economical manner during the triennial audit period.

2. Performance Audit Approach and Methodology

The State mandates that all recipients of TDA funding undergo a performance audit every three years to remain eligible for future TDA funding. In FY 2024, OCTA retained BCA Watson Rice LLP to conduct a Triennial Performance Audit of the OCTD.

The Triennial Performance Audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This performance audit was also conducted in accordance with the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008, Third Edition* (Guidebook) produced by the California Department of Transportation, which outlines the processes for evaluating a transit organization's effectiveness and efficiency, pursuant to State requirements.

The Guidebook provides general information regarding performance audit requirements, and suggested approaches and methodologies. More specific information necessary to understand and define the scope of these audits is included in the *Transportation Development Act, Statutes and California Code of Regulations, July 2018* (TDA Code). Various sections of these regulations are periodically updated through legislative action. However, the annual booklet of the TDA Code has not been updated during this triennium. An overview of recent legislation was conducted to examine its potential impact on the

FY 2022 - 2024 Triennial Performance Audit of Orange County Operators to ensure that this audit addressed legislative changes enacted in the past three years.

Legislative Issues Affecting the Triennial Performance Audit

In 2023, the legislature passed Senate Bill 125 (SB 125). SB 125 exempts operators from having to meet the fare box recovery ratio of 20%. Its language reads:

> "Existing law provides for the allocation of various revenues under the Transportation Development Act, to transit operators that meet specified requirements, including, as applicable, requirements related to operating costs, fare box ratios, and revenues, as specified. Existing law exempts those entities, for the 2019–20 to 2022–23 fiscal years, inclusive, as provided, from penalties or other provisions that would reduce the amount of revenues allocated as a result of failing to meet those requirements. This bill would extend those entities' exemptions through the 2025–26 fiscal year, as specified."

Given this legislation, our report will not include any findings of non-compliance related to farebox recovery ratios (PUC 99268.2 and 99268.3).

Triennial Performance Audit Key Tasks

This Triennial Performance Audit included a review of the following:

- **Compliance with PUC Section 99246** – evaluating the efficiency, effectiveness and economy of the operation of the entity being reviewed, including, but not limited to, a verification of the following performance indicators defined in PUC Section 99247:
    - Operating cost per passenger
    - Operating cost per vehicle hour
    - Passengers per vehicle service hour
    - Passengers per vehicle service mile; and
    - Vehicle service hours per employee

- **Data Consistency** – verification of TDA data collection and reporting procedures as well as consistency of data reporting between federal National Transit Database (NTD) and State Controller's Transit Operators Financial Transactions Report.
- **Prior Audit Recommendations** – reporting on implementation of prior triennial performance audit recommendations.
- **Performance Trends** – summaries of performance indicators for the audit period related specifically to operational performance, efficiency and effectiveness. This audit acknowledges the lingering impacts of the COVID-19 pandemic on transit ridership and will analyze performance to the extent possible to examine performance from a post-pandemic perspective.
- **Functional Review** - high-level review of key functional areas which were surveyed as part of the audit process. Areas of review included departments within the purview of the OCTA Operations Division, which included general management, scheduling and operations support, operations administration, maintenance administration, and contracted transportation services.

The Guidebook details an approach to conducting the performance audit which consists of a review of key financial, administrative and operational documents and interviews with key management staff.

DOCUMENTS REVIEWED

The following documents were reviewed to ascertain completion and timely submission to the appropriate reporting agency:

- National Transit Database (NTD) reports for FY 2022 through FY 2024
- State Controller Transit Operations Financial Transactions reports for FY 2022 through FY 2024
- Prior Triennial Performance Audit and written responses to the recommendations

- California Highway Patrol Inspection Reports for FY 2022 through FY 2024
- Annual Comprehensive Financial Reports for FY 2022 through FY 2024
- TDA Guidelines, February 2021, Revised
- OCTA Approved Comprehensive Business Plans for FY2023 and FY2025 containing:
    - Organizational charts
    - Vision, Mission and Goals Statements
    - Planned service and capital improvement plans
    - Operating and capital cash flow statements
- OCTA Transit - Supportive Design Guidelines, June 30, 2021
- OCTA Accomplishments Report 2023 and 2024
- OC Bus Book, February 2024
- OCTA Bus Mobile App

INTERVIEWS WITH KEY MANAGEMENT

The following OCTA/OCTD management team members were interviewed as part of the Triennial Performance Audit:

- Johnny Dunning, Chief Operating Officer
- Jack Garate, Department Manager, Contracted Transportation Services
- Damon Blythe, Director, Bus Operations
- Cliff Thorne, Director, Maintenance
- Cleve Cleveland, Department Manager, OC Streetcar Operations
- Jason Jewell, Managing Director, LOSSAN
- Sean Murdock, Director, Finance & Administration

3. Background, Challenges, and Accomplishments

The OCTD was established by state legislation in 1972 and began with the operation of eight local fixed routes. It became a part of the OCTA when the regional planning agency was created in 1991. OCTA is governed by an 18–member Board of Directors.

OCTD GOALS and OBJECTIVES

OCTD is one of the OCTA's core business units which contains all transit operations, including fixed route, paratransit, and vanpool operations. The organization is guided by the following goals established by the OCTA Board of Directors:

- **Mobility** – Deliver programs, projects and services to improve the movement of people and goods throughout Orange County and the region.
- **Public Service** – Enhance customer satisfaction by understanding, connecting with and serving our diverse communities and partners.
- **Fiscal Stewardship** – Ensure fiscal health through prudent financial management and by protecting and leveraging available revenue sources.
- **Stewardship** – Embrace responsible policies and practices designed to promote environmental sustainabllity and enhance the safety and quality of life in Orange County.
- **Organizational Excellence** – Continue the tradition of being a high-performing organization through employee development and efficient business practices.

Every two years, the OCTA Board of Directors approves a *Comprehensive Business Plan*, which includes a summary of OCTD's service, staffing, fleet and cash flow plans over a 20 – year horizon. OCTD reports progress on its plan objectives through OCTA's annual *OCTA Accomplishments Report.*

This report primarily focuses on the Operations Division, although consistent with TDA compliance requirements there will be inherent overlaps with other OCTA divisions

responsible for reporting requirements related to transit operations and performance activities.

SYSTEM PROFILE

The OCTD service area is 436 square miles, serving approximately 3 million residents in 34 cities and unincorporated areas of Orange County and adjacent Riverside and Los Angeles Counties. The majority of fixed route service is concentrated in the cities of Anaheim, Costa Mesa, Fountain Valley, Fullerton, Garden Grove, La Habra, Orange, Placentia, Santa Ana, Stanton, Tustin and Westminster. The service includes the following modes of transportation:

- *OC Bus* – OCTD operates 43 local (with 7 routes being designated as community routes). These routes operate within a grid system that connects at major transfer areas in the cities of Orange, Fullerton, Santa Ana, Laguna Hills, and major trip generators including University of California at Irvine, John Wayne Airport and South Coast Plaza Mall.
- *Rail Feeder (Stationlink)* – Stationlink buses have four routes with stops between Metrolink train stations and key employment locations. These routes operate on weekdays furing the morning and evening commutes.
- *Rapid Service (OC Bus Rapid)* – OCTD operates limited-stop services to provide more frequent service and shorted travel times along key corridors: Route 529 – Fullerton to Huntington Beach; Route 543 – Fullerton to Costa Mesa; Route 553 – Anaheim to Costa Mesa; Route 560 – Santa Ana to Long Beach.
- *OCTA Vanpool* – OCTD operates a vanpool comprising of riders with common schedules and similar work and home desitinations.
- *OC Flex* – OCTD implemented this microtransit service in FY 2019 serving the communities of Aliso Viejo, Laguna Nigel and Mission Viejo. OC Flex provides riders the ability to purchase day pass for unlimited rides within its established zone using cash or a mobile app.

- *OC ACCESS* – OC Access is a shared ride public transportation service provding within a ¾ mile radius of OCTD's fixed-route service. OC Access is available to persons people with disabilities who, because of their disability, are unable to independently ride fixed route bus or train services all or some of the time. One personal care attendant may ride for free wthen accompanying an OC ACCESS customer.

FARES

OCTD offers a variety of fare options. Fares may be paid using exact change when boarding. Passengers may also purchase One Day Passes when boarding or in advance from over 100 local retailers or in real time using the OC Bus Mobile App. Using the OC Bus Mobile App, customers can purchase any fare type accepted on the system. Youths ages 6 to 18 can ride OC Bus for free by obtaining a Youth Ride Free pass. These youth passes are available online and at most Orange County K-12 schools. The following Exhibit 1 is a summary of OCTD's fare structure (based on OCTA's 2024 Bus Book):

Exhibit 1:
Summary of Transit Fares

Fare Type	Cash	One Day Pass	Transfer Upgrade	Prepaid	
				Day Pass	30-Day Pass
LOCAL					
Adult	$2.00	$5.00	N/A	$4.50	$69.00
Senior and Disabled	$0.75	$1.50	N/A	$1.35	$22.25
Youth Ages 6 to 18	Free				
OC FLEX					
Adult	$4.50	$5.00	N/A	N/A	N/A
OC ACCESS					
Eligible Riders	$3.60	N/A	N/A	Subscription Service May Be Available	

KEY SYSTEMATIC CHALLENGES DURING THE AUDIT PERIOD

Addressing the challenges in a post-pandemic environment was a top priority for most transit operators during the triennial audit period. The following is a summary of key post-pandemic challenges faced by transit agencies: [1]

- *Reduced Ridership* – As transit agencies emerged out of the pandemic, they were faced with changes in ridership and commuting patterns. A growing percentage of the population now has the option of working from home for at least a portion of the time, which has altered the numbers of people riding transit. According to the FTA, overall ridership in September 2023 was only 74% of pre-pandemic levels. While overall ridership has declined, many front-line workers, especially from historically disadvantaged communities, continue to rely on transit to travel to work and other destinations. People were also more likely to ride transit if they did not have access to a personal vehicle, were disabled, or lived in households that lost income during the pandemic.
- *Workforce Shortages* – Transit agencies experienced workforce shortages during the pandemic and many of those shortages continue today, especially among bus operator positions. In a July 2022 APTA survey of agencies and workers, the primary obstacles to recruiting and retaining workers included difficult work schedules and on-the-job harassment or assaults. To address these concerns, agencies are being forced to revisit recruiting strategies, improve hiring processes, enhance training programs, incentivize undesirable shifts, improve the safety and security of workers, and increase compensation.
- *Fiscal Challenges* – As ridership declined nationwide, farebox revenues similarly declined. According to the FTA Report, national farebox recovery ratios were 31.7% of operating costs in 2019, but only 16.7% in 2022. Despite reductions in service levels, operating costs tended to remain relatively static since most transit

[1] For more detail on these issues, see Federal Transit Administration Report No. 0268, *Effects of the COVID-19 Pandemic on Transit Ridership and Accessibility* (August 2024) ("FTA Report).

systems are capital-intensive and have high fixed costs. A spike in inflation following the pandemic also impacted on both personnel and supply costs resulting in further economic hardship to the agencies.

- *Supply Chain Shortages* – Transit agencies have been facing supply chain shortages that have limited their ability to procure vehicles and have increased vehicle maintenance costs. These supply chain issues have impacted on the ability of some transit agencies from maintaining consistent service.

As a result of these challenges, many transit agencies have reduced service levels. Much of the reduced service has come at the expense of the frequency of service rather than a reduction in the number or the scope of routes, but the reduced service changes have still impacted riders. According to an APTA survey, transit agencies cited several causes that forced a reduction in service including diminished ridership (78%), economic losses (36%), and staff shortages (34%), which were the most common factors.

KEY OCTD CHALLENGES DURING THE AUDIT PERIOD

The following is a summary of other key challenges addressed specifically by OCTD during the audit period:

- Declining ridership early in the audit period due to COVID-19 and changes in commuting patterns.
- Staffing challenges, particularly for coach operators and mechanics, due to increased competition from private sector labor markets.
- Supply chain delays, impacting vehicle maintenance.
- Integration of new electric vehicles into the fleet has caused adjustments to these vehicles' programming to ensure their availability and provide necessary training to staff.
- Increased safety and security issues on the bus system including assaults on bus operators.

KEY OCTD ACCOMPLISHMENTS DURING THE AUDIT PERIOD

The following is a summary of some of the key accomplishments achieved by OCTD during the audit period:

- Completed *Making Better Connections Study* to more effectively align transit services with the new post-pandemic demands.
- First large transit agency in the region to permanently offer free bus rides to all youth ages 6 to 18.
- Expanded access to College Pass Programs.
- Approval of the 2022 Long-Range Transportation Plan.
- Approval of the purchase of 50 new zero-emission buses as part of its goal of being a 100% zero-emissions fleet by 2040.
- Upgrades to maintenance facilities to adapt to new electric vehicles.
- Provided added training programs for maintenance staff (approximately 200 hours per mechanic) and hiring an additional trainer.
- Entered into new agreement with the union that represents operators to provide higher compensation levels. Additionally, OCTD collaborated with the union to address scheduling and other issues of concern to operators.
- Installed driver protection barriers in over 200 buses. The barriers contributed to an approximately 50% reduction in operator assaults.
- Agreement with outside contractors to continue contracted fixed route services for lower density routes and for paratransit services.
- Developed an alert system for paratransit riders to provide them text notices about arrival times.

4. Compliance Review

The objective of this section is to detail compliance with the State's requirements for transit operations and regional planning, implementation of the recommendations in the prior triennial performance audit and maintaining a consistent reporting of performance statistics to local, state and federal agencies.

COMPLIANCE WITH THE STATE PUC REQUIREMENT

Transit systems must comply with TDA requirements that are specified in PUC Regulations and the California Code of Regulations as noted in Exhibit 2. The compliance matrix below provides the degree to which funds allocated to the claimant pursuant to TDA requirements were expended in conformance with applicable laws, rules and regulations. OCTD was found to be compliant with all applicable PUC requirements.

It should be noted that OCTD assigns its allocated regional funds in accordance with the SB 508 definition of *local subsidy*, as documented by its definition of "Qualifying Revenues" in OCTA's February 2021 TDA Guidelines.

Exhibit 2:
OCTD Compliance with PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding
PUC Section 99243	Submit annual reports to the State Controller, based on the Uniform System of Accounts and Records established by the State Controller, within seven months after the end of the fiscal year.	In Compliance
PUC Section 99245	Submit annual fiscal and compliance reviews to RTPE and State Controller within 180 days of the end of the fiscal year or receive 90-day extension.	In Compliance
PUC Section 99251	CHP has certified operator's compliance with Vehicle Code 1808.1 within 13 months prior to TDA claim submittal.	In Compliance

Exhibit 2: OCTD Compliance with PUC Requirements		
Code Reference	**Operator Compliance Requirements**	**Compliance Finding**
PUC Section 99261	Claims for TDA funds are submitted in compliance with RTPE's rules and regulations.	In Compliance
PUC Section 99264	Public transportation vehicles designed to be operated by one person are not routinely staffed with two or more persons.	In Compliance
PUC Section 99266	Operating budget has not increased by more than 15% over preceding year unless reasonable justification has been provided.	In Compliance
PUC Section 99267	The operator's definitions of performance measures are consistent with the PUC.	In Compliance
PUC Section 99268.2 99268.3	Operator has maintained a ratio of fare revenues to operating costs at least equal to or exceeding 20% for the general public service in urban areas.	Exempt from Compliance per SB 125
PUC Section 99271	The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing an RTPE-approved plan to fully fund the retirement system within 40 years.	In Compliance
CA Code of Regs	Available federal funds are used prior to claiming STA funds.	In Compliance

CONSISTENCY OF DATA REPORTING

Operators are expected to consistently report performance statistics to local, state and federal agencies. Exhibit 3 provides a summary of key statistics provided to the following agencies:

- **National Transit Database (NTD)** - The Federal Transit Administration (FTA) requires that transit agencies which receive FTA grants annually submit financial and operating data in uniform categories.
- **State Controller's Office** - The State Controller's Office requires that all agencies submit an annual summary of financial statistics.

Orange County Transit District				
Exhibit 3: Compliance Data Consistency				
	Base Year	Review Period		
Source	FY21	FY22	FY23	FY24
Operating Costs				
FTA National Transit Database	$255,226,861	$295,255,829	$322,256,416	$ 337,157,077
State Controller's Report	$256,776,899	$275,612,128	$323,530,869	$ 335,916,491
Farebox Revenues				
FTA National Transit Database	$ 16,511,249	$ 27,311,335	$ 31,858,078	$ 36,010,314
State Controller's Report	$ 14,573,917	$ 27,670,083	$ 29,843,690	$ 33,415,205
Local Subsidies and Auxiliary Revenues				
FTA National Transit Database	$ 10,324,350	$ 3,241,472	$ 3,343,281	$ 3,054,118
State Controller's Report	$ 27,654,118	$ 3,241,472	$ 3,336,236	$ 3,054,118
Unlinked Passengers				
FTA National Transit Database	20,607,369	27,753,507	32,674,688	36,466,597
State Controller's Report	20,607,369	27,753,507	33,174,688	36,466,603
Vehicle Service Hours				
FTA National Transit Database	1,579,914	1,897,023	2,076,993	2,171,630
State Controller's Report	1,579,970	1,897,023	2,076,903	2,171,630
Vehicle Service Miles				
FTA National Transit Database	21,394,468	25,817,380	28,032,043	29,498,677
State Controller's Report	21,403,019	26,017,380	28,032,043	29,498,677
Employee Full-Time Equivalents				
FTA National Transit Database	899	891	907	916
State Controller's Report	867	1,023	1,117	1,180
Peak Vehicles				
FTA National Transit Database	678	739	808	887
State Controller's Report	628	724	787	857
Active Vehicles				
FTA National Transit Database	1,003	1,080	1,145	1,160
State Controller's Report	1,000	1,079	1,145	1,160

OCTA was largely consistent with its reporting of key financial and operating statistics between the federal and state reporting agencies. Some inconsistencies are due to categorical and definitional differences between NTD and State Controller Report

categories. In 2023, OCTD modified its internal procedures for demand response contracted services data collection to include additional monthly monitoring of source documentation and conducting an end of the year reconciliation. As can be seen above, inconsistences were improved by the end of the triennial audit period. Discrepancies related to FTEs are largely due to the different calculations for SCO and NTD reports (2,000 hours v. 2080 hours per FTE).

PRIOR AUDIT RECOMMENDATIONS AND FINDINGS

TDA audit guidelines require follow-up on implementation of recommendations from the prior audit period. Recommendations for improvement from the prior triennial performance audit are detailed in Exhibit 4 below.

Exhibit 4:
Prior Audit Recommendations and Implementation Progress

#	Prior Audit Recommendation	Implementation Progress
1	The data collection process for demand response services should be reevaluated and monitored, specifically related to non-financial data compiled for State Controller's and NTD reports to ensure consistency in reporting.	In 2023, OCTD modified its internal procedures for demand response contracted services data collection to include additional monthly monitoring of source documentation and conducting and end of the year reconciliation.

5. Operational Performance Trends

OVERVIEW

In this section we present the results of our analysis of performance statistics for the three-year audit period for services operated by OCTD. California PUC Section 99246 mandates that a triennial performance audit analyzes an operator's performance of five key performance indicators:

1. Operating cost per vehicle service hour
2. Operating cost per passenger
3. Passengers per vehicle service hour
4. Passengers per vehicle service mile
5. Vehicle service hours per employee

Analysis of these indicators were compiled using data from NTD reports prepared by OCTD. The performance trends cover the period from FY2022 through FY2024, with FY2021 used as a base year to provide a point of reference for the analyses. We have also included performance data from the first full year prior to the pandemic (FY 2019) to provide further context.

While designed to assess efficiency and effectiveness trends system-wide over the audit period, the results of the analysis have been affected by the lingering impacts of the pandemic. These impacts include changes in commuting patterns associated with the greater ability to work from home. Post-pandemic factors are still impacting ridership across the country. Despite declining ridership, transit operators are still expected to provide a level of service to meet the needs of those not able to work from home or who don't have non-transit alternatives.

OCTA's collection and reporting of OCTD performance data is an effective means to monitor the system's performance to minimize service inefficiencies and reallocate service where it is most needed, particularly given the unprecedented shift in the

operating environment during this audit period. Performance reports also provide effective and efficient benchmarks for its operations, vehicle maintenance and customer service functions, by monitoring:

- Preventable accidents
- Miles between road calls
- Customer complaints
- On-time performance
- Ridership and productivity, both system-wide and route-level

PERFORMANCE INDICATOR TABLES – SYSTEM-WIDE

A summary of high-level trends within key operational indicators is shown in Exhibit 5, which provides detailed reporting by fiscal year. The reflected percent change uses the base year of FY 2021. Also included in the chart is data from the pre-COVID year of FY 2019 as an additional reference. System-wide indicators reflect all modes reported to the federal National Transit Database, including Motor Bus, Commuter Bus, Demand Response, Shared Ride Taxi and Vanpool.

Looking at FY 2024's performance, OCTD's key base indicators reflect a significant increase in ridership (32.1%) and farebox revenues (118.1%). These positive trends are consistent over all measures. Despite these encouraging increases in performance during the audit period, ridership and farebox revenues are down from FY 2019 (9.6% and 34.2% respectively). These trends are consistent with nationwide transit trends as reported by the FTA.

- **Operating Cost Per Vehicle Service Hour –** OCTD experienced a 3.89% decrease in cost per hour. A positive trend, especially in a period of higher-than-normal inflation.
- **Operating Cost Per Passenger –** Cost per passenger decreased by 25.35%, largely because of the overall increase in ridership.

- **Passengers Per Vehicle Service Hour –** Passengers per vehicle service hour rose by 28.74%.
- **Passengers Per Vehicle Service Mile –** Passengers per vehicle service mile increased by 28.34%
- **Vehicle Service Hours Per Employee –** Vehicle service hour per employee rose by 0.99%.

Exhibit 5: OC Bus
System-Wide Performance

Performance Measure	Pre-Covid FY19	Base Year FY21	Review Period FY22	Review Period FY23	Review Period FY24	Percent Change FY21 - 24
Key Base Measures						
Operating Costs	$ 288,993,915	$ 255,226,861	$ 295,255,829	$ 322,256,416	$ 337,157,077	32.10%
Fare Revenue	$ 54,749,719	$ 16,511,249	$ 27,311,335	$ 31,858,078	$ 36,010,314	118.10%
Auxiliary + Local Revenues	$ 53,898,608	$ 10,324,350	$ 3,241,472	$ 3,343,281	$ 3,054,118	-70.42%
Vehicle Service Hours	2,638,126	1,579,914	1,897,023	2,076,993	2,171,630	37.45%
Vehicle Service Miles	40,333,507	21,394,468	25,817,380	28,032,043	29,498,677	37.88%
Unlinked Passengers	40,743,654	20,607,369	27,753,507	32,674,688	36,466,597	76.96%
Full Time Equivalents	1,191	867	1,023	1,117	1,180	36.10%
Efficiency Measures						
Cost per VSH	$109.55	$ 161.54	$ 155.64	$ 155.16	$ 155.26	-3.89%
Cost per Passenger	$7.09	$ 12.39	$ 10.64	$ 9.86	$ 9.25	-25.35%
Fare per Passenger	1.34	$ 0.80	$ 0.98	$ 0.98	$ 0.99	23.25%
Passengers per VSH	15.80%	13.04	14.63	15.73	16.79	28.74%
Passengers per VSM	1.01	0.96	1.07	1.17	1.24	28.34%
VSH per FTE*	1,325	1,822.28	1,854.37	1,859.44	1,840.36	0.99%
CPI – All Index		2.30%	7.40%	3.90%	3.10%	15.00%

All data taken from NTD reports except for FTE's, which were derived from the State Controller's reports.

As can be seen from Exhibit 5, OCTD made signficant progress during the audit period in bringing riders back on to the system post-pandemic. While ridership is still down from pre-pandemic levels, these percentages are consistent with nationwide statistics cited in the FTA Report (referenced above). Exhibit 5 further reflects OCTD's efforts to adjust service costs to respond to decreases in ridership, and also to make the system more efficient. This can be seen by a decrease of almost 4% in cost per vehicle service hour at a time when the inflation was approximately 15%.

PERFORMANCE INDICATOR TABLES – DIRECTLY OPERATED FIXED ROUTE

Using FY 2021 as the base year, ridership grew 65.7% and fare revenues grew by 99.1% through FY 2024. While this represents signficant progress, ridership numbers are still marginally below pre-pandemic levels. From FY 2019 to FY 2024, ridership is down 6.7%. This represents signficant progress in bringing back riders to fixed route service.

Below is a summary of efficiency trends within key operational indicators followed by Exhibit 6, which provides detailed reporting by fiscal year:

- **Operating Cost Per Vehicle Service Hour –** Operating cost per vehicle service hour increased by 14.2% compare to a rise in the CPI of 15.0%.
- **Operating Cost Per Passenger –** Operating cost per passenger decreased substantially (31.1%) due the increase in overall ridership.
- **Passengers Per Vehicle Service Hour –** Passengers per vehicle service hour increased by 42.4% and exceed the pre-pandemic numbers from FY 2019.
- **Passengers Per Vehicle Service Mile –** Passengers per vehicle service mile increased similarly by 45.2%, again exceeding pre-pandemic numbers.
- **Vehicle Service Hours Per Employee –** Vehicle service hours per FTE grew by 29.9%.

Exhibit 6: OC Bus Fixed Route Performance (Directly Operated)						
	Pre-Covid	Base Year	Review Period			Percent Change
Performance Measure	FY19	FY21	FY22	FY23	FY24	FY21 - 24
Key Base Measures						
Operating Costs	$137,413,850	$143,293,645	$154,520,772	$165,818,953	$163,566,385	14.15%
Fare Revenue	$29,598,436	$10,358,824	$16,704,734	$19,045,769	$20,620,913	99.07%
Vehicle Service Hours	981,577	776,409	872,456	937,944	903,237	16.34%
Vehicle Service Miles	11,336,954	8,886,949	9,886,451	10,462,390	10,144,329	14.15%
Unlinked Passengers	26,189,972	14,746,224	19,351,262	22,637,653	24,433,432	65.69%
Full Time Equivalents*	927	899	750	791	805	-10.46%
Efficiency Measures						
Cost per VSH	$139.99	$184.56	$177.11	$176.79	$181.09	-1.88%
Cost per Passenger	$5.25	$9.72	$7.99	$7.32	$6.69	-31.11%
Passengers per VSH	26.68	18.99	22.18	24.14	27.05	42.43%
Passengers per VSM	2.31	1.66	1.96	2.16	2.41	45.16%
VSH per FTE*	1,059	864	1,163	1,186	1,122	29.92%
Fare per Passenger	$1.13	$0.70	$0.86	$0.84	$0.84	20.14%
CPI -- All Index		2.30%	7.40%	3.90%	3.10%	15.00%

PERFORMANCE INDICATOR TABLES – CONTRACTED FIXED ROUTE

As shown from Exhibit 7 below, OCTD's purchased fixed route transportation rebounded significantly during the audit period. While ridership is still not at FY 2019 levels (10.1% less in FY 2024), the overall increases are similar to what OCTD experienced with it's directly operated fixed route services. Notably, these servcies were able to increase their riders per VSH and VSM compared to FY 2019:

- **Operating Cost Per Vehicle Service Hour –** Operating cost per hour increased by 40.8% over the audit period. Some of this increase can be attributed to a new operating agreement during this time that increased contractor costs.
- **Operating Cost Per Passenger –** Operating cost per passenger decreased by 31.3% over the audit period, bolstered by the increase in ridership.
- **Passengers Per Vehicle Service Hour –** Passengers per vehicle service hour increased by 60.8%. The passengers per vehicle service hour were higher in FY 2024 (19.05) than in FY 2019 (18.08).

- **Passengers per Vehicle Service Mile –** Passengers per vehicle service mile increased by 67.6% from FY 2021 to FY 2024. Similarly, passengers per vehicle mile were higher in FY 2024 (1.59) than in FY 2019 (1.47).

Exhibit 7: OC Bus
Fixed Route Performance (Purchased Transportation)

Performance Measure	Pre-Covid	Base Year	Review Period			Percent Change
	FY19	FY21	FY22	FY23	FY24	FY21 - 24
Key Base Measures						
Operating Costs	$ 66,055,228	$ 63,009,548	$ 73,960,580	$ 82,347,124	$ 88,706,937	40.78%
Fare Revenue	$ 11,379,121	$ 2,713,841	$ 5,009,355	$ 5,733,858	$ 6,497,080	139.41%
Vehicle Service Hours	644,817	433,359	506,250	514,757	552,606	27.52%
Vehicle Service Miles	7,921,529	5,398,546	6,108,497	6,075,867	6,605,599	22.36%
Unlinked Passengers	11,656,094	5,133,898	7,329,314	8,725,807	10,526,616	105.04%
Efficiency Measures						
Cost per VSH	$ 102.44	$ 145.40	$ 146.09	$ 159.97	$ 160.52	10.40%
Cost per Passenger	$ 5.67	$ 12.27	$ 10.09	$ 9.44	$ 8.43	-31.34%
Passengers per VSH	18.08	11.85	14.48	16.95	19.05	60.80%
Passengers per VSM	1.47	0.95	1.20	1.44	1.59	67.57%
Fare per Passenger	0.98	0.53	0.68	0.66	0.62	16.76%
CPI – All Index		2.30%	7.40%	3.90%	3.10%	15.00%

PERFORMANCE INDICATOR TABLES – DEMAND RESPONSE

OCTD's demand response service performance was markedly improved over the audit period, although ridership numbers still lag behind FY 2019 as indicated by a 33.2% decrease compared to pre-pandemic ridership. Nationwide, demand response ridership has not rebounded as quickly as fixed route. Interviews with operators suggest that seniors in particular may still be wary of retuning to shared transit ride resulting in a slower recovery to normal service levels combined with the rise of ride-sharing services such as Lyft and Uber.

Below is a summary of high-level trends of key operational indicators followed by Exhibit 8 which provides a more detailed listing of indicators by fiscal year:

- **Operating Cost Per Vehicle Service Hour –** Operating cost per vehicle service hour decreased by 14.8% during the audit period.
- **Operating Cost Per Passenger –** Operating cost per passenger decreased by 28.6%, but remain higher than pre-pandemic numbers.

- **Passengers Per Vehicle Service Hour –** Passengers per vehicle service hour increased by 19.3%.
- **Passengers Per Vehicle Service Mile –** Passengers per vehicle service mile increased by 18.7%, but are sill below pre-pandemic numbers.
- **Vehicle Service Hours Per Employee –** Vehicle service hours per FTE increased by 7.6%.

Exhibit 8: OCTD
Demand Response Performance (Including Taxi)

Performance Measure	Pre-Covid	Base Year	Review Period			Percent Change
	FY19	FY21	FY22	FY23	FY24	FY21 - 24
Key Base Measures						
Operating Costs	$ 79,703,823	$ 47,101,521	$ 65,001,804	$ 72,154,281	$ 82,536,684	75.23%
Fare Revenue	$ 7,719,206	$ 1,876,522	$ 3,962,473	$ 5,187,833	$ 6,421,787	242.22%
Vehicle Service Hours	756,391	312,776	459,703	559,867	643,324	105.68%
Vehicle Service Miles	12,155,912	4,857,369	7,696,199	9,108,077	10,043,905	106.78%
Unlinked Passengers	1,667,292	485,746	835,824	1,031,899	1,192,236	145.44%
Full Time Equivalents*	492	192	265	318	367	91.15%
Efficiency Measures						
Cost per VSH	$ 105.37	$ 150.59	$ 141.40	$ 128.88	$ 128.30	-14.80%
Cost per Passenger	$ 47.80	$ 96.97	$ 77.77	$ 69.92	$ 69.23	-28.61%
Passengers per VSH	2.20	1.55	1.82	1.84	1.85	19.33%
Passengers per VSM	0.14	0.10	0.11	0.11	0.12	18.70%
VSH per FTE*	1,537.00	1,629	1,735	1,761	1,753	7.60%
Fare per Passenger	$ 4.63	3.86	4.74	5.03	5.39	39.43%
CPI – All Index		2.30%	7.40%	3.90%	3.10%	15.00%

PERFORMANCE INDICATOR TABLES – VANPOOL

As discussed above, the pandemic resulted in signficant shifts in commuting patterns due to the increase in work from home policies. According to the U.S. Bureau of Labor Statistics, in 2023 approximately 35% of employed people did some or all of their work from home as opposed to 24% pre-pandemic. This shift has disporportionately impacted commuter transit services such as OCTD's vanpool program. OCTD has reduced vanpool services signficantly since FY 2019 to accommodate these shifts. Despite these changes, costs per pasenger in FY 2024 are significantly higher than in FY 2019 (44.9% increase).

Below is a summary of high-level trends within key operational indicators followed by Exhibit 9 with a more detailed list of indicators by fiscal year:

- **Operating Cost Per Vehicle Service Hour –** Operating cost per vehicle service hour rose slightly during the audit period (1.9%), but well below the rate of inflation during the same period.
- **Operating Cost Per Passenger –** Operating cost per passenger decreased by 1% during the period, but is still significantly higher than pre-pandemic numbers.
- **Passengers Per Vehicle Service Hour –** Passengers per vehicle service hour increased by 3%, but are still 10.5% below pre-pandemic levels.
- **Passengers Per Vehicle Service Mile –** Passengers per vehicle service mile increased by 8.3%.
- **Vehicle Service Hours Per Employee –** Vehicle service hours per FTE increased by 26.3% during the audit period.

Exhibit 9: OCTD
Vanpool Performance

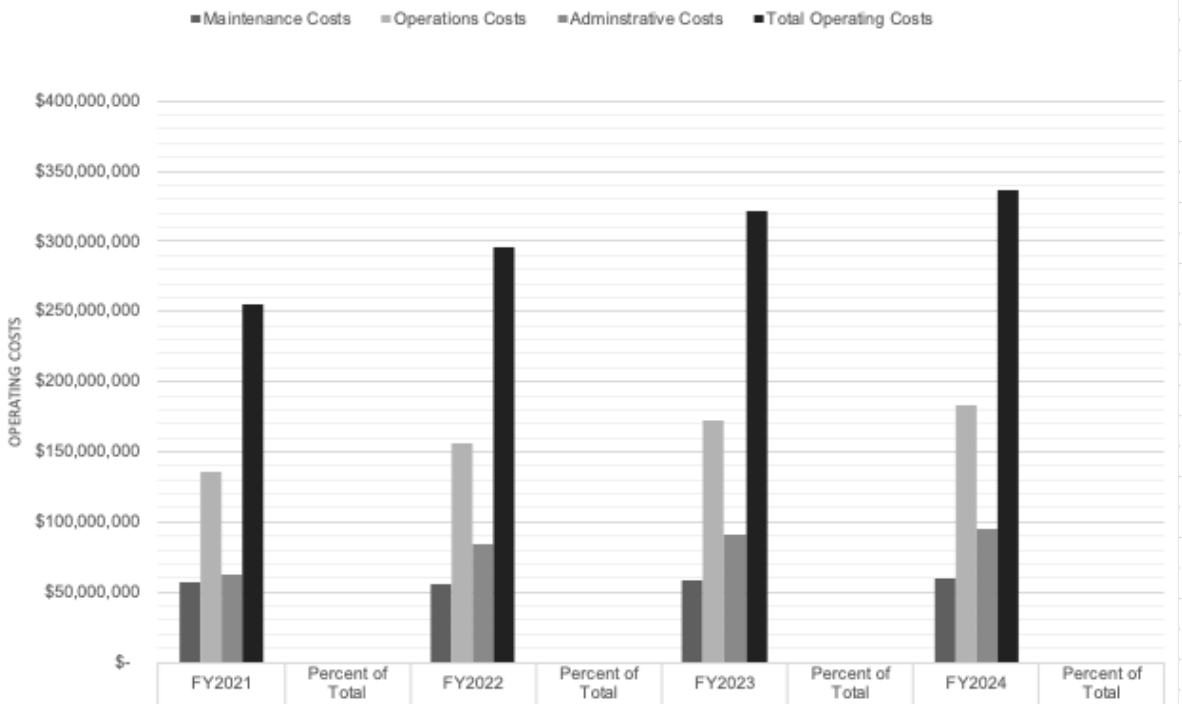
Performance Measure	Pre-Covid	Base Year	Review Period			Percent Change
	FY19	FY21	FY22	FY23	FY24	FY21 - 24
Key Base Measures						
Operating Costs	$ 5,821,014	$ 1,822,147	$ 1,772,673	$ 1,936,058	$ 2,347,071	28.81%
Fare Revenue	$ 6,052,956	$ 1,562,062	$ 1,634,773	$ 1,890,618	$ 2,470,534	58.16%
Vehicle Service Hours	255,341	57,370	58,614	64,425	72,463	26.31%
Vehicle Service Miles	8,919,112	2,251,604	2,126,233	2,385,709	2,704,844	20.13%
Unlinked Passengers	1,230,296	241,501	237,107	279,329	314,313	30.15%
Full Time Equivalents*	6	8	8	8	8	0.00%
Efficiency Measures						
Cost per VSH	$ 22.80	$ 31.76	$ 30.24	$ 30.05	$ 32.39	1.98%
Cost per Passenger	$ 4.73	$ 7.55	$ 7.48	$ 6.93	$ 7.47	-1.03%
Passengers per VSH	4.82	4.21	4.05	4.34	4.34	3.04%
Passengers per VSM	0.14	0.11	0.11	0.12	0.12	8.34%
VSH per FTE*	42557	7,171	7,327	8,053	9,058	26.31%
Fare per Passenger	$ 4.92	6.47	6.89	6.77	7.86	21.52%
CPI -- All Index		2.30%	7.40%	3.90%	3.10%	15.00%

6. Functional Review

Interviews with the leadership of key functional areas were conducted as part of the review process. Areas of review included departments within the purview of the OCTA Operations Division, which included general management, scheduling and operations support, operations administration, maintenance administration, and contracted transportation services. The functional area interviews provided an opportunity to summarize key accomplishments, challenges emerging from the pandemic, and challenges to rebuild ridership in the region amidst changing commuting patterns and other factors impacting transit including safety and security issues.

In addition to these interviews, a review of operating costs by Division provided insights on performance trends aggregated by core operations, maintenance and administrative functional areas, taken from NTD reports. Exhibit 10 is a representation of OCTD operating costs aggregated to each of its core functions.

Exhibit 10: Operating Costs by Function



	FY2021	Percent of Total	FY2022	Percent of Total	FY2023	Percent of Total	FY2024	Percent of Total
Maintenance Costs	$57,484,273	22.5%	$55,553,197	18.8%	$58,155,078	18.0%	$59,335,859	17.6%
Operations Costs	$135,338,198	53.0%	$155,459,406	52.7%	$172,508,037	53.5%	$182,931,675	54.3%
Adminstrative Costs	$62,404,390	24.5%	$84,243,226	28.5%	$91,593,301	28.4%	$94,889,543	28.1%
Total Operating Costs	$255,226,861	100.0%	$295,255,829	100.0%	$322,256,416	100.0%	$337,157,077	100.0%

OPERATIONS

OCTD services are delivered through a combination of directly operated and contracted services. It provides multimodal transportation services including fixed route, advanced reservation demand response, on-demand taxi, Dial-A-Ride and subsidized vanpool services. Although the post-pandemic environment created new and different changes associated with new commuting patterns, OCTD undertook efforts to address these new needs including:

- Completed *Making Better Connections Study* to more effectively align transit services with the new post-pandemic demands.
- First large transit agency in the region to permanently offer free bus rides to all youth ages 6 to 18.

- Expanded access to College Pass Prograns.
- Approval of the purchase of 50 new zero-emission buses as part of its goal of being a 100% zero-emissions fleet by 2040.
- OCTD collaborated with the union to address scheduling and other issues of concern to operators.
- Installed driver protection barriers in over 200 buses. The barriers contributed to an approximately 50% reduction in operator assaults.
- Agreement with outside contractors to continue contracted fixed route services for lower density routes and for paratransit services.
- Developed an alert system for paratransit riders to providing them text notices about arrival times.

Exhibit 10 on the previous page shows the distribution of total operating costs across vehicle operations, maintenance, including facilities maintenance, and general administrative functions. This exhibit illustrates that the agency exercised fiscal restraint in the reallocation of these resources while maintaining its level of commitment to operations resources and to supporting employee and customer service and safety needs.

Exhibit 11 below presents specific performance metrics associated with system-wide operations. Operations costs in FY 2024 were 35.2% higher than FY 2021, but this increase was offset by an increase in vehicle service hours (37.5%). As a result, OCTD's overall key efficiency measure of operating costs per vehicle service hours was down 1.67%. This is especially notable given that the consumer price index rose by 15% during this period.

Exhibit 11: OCTD Operations Performance					
	Base Year	Review Period			Percent Change
Performance Measure	FY21	FY22	FY23	FY24	FY21 - 24
Key Base Measures					
Operations Costs	$ 135,338,198	$ 155,459,406	$ 172,508,037	$ 182,931,675	35.17%
Vehicle Service Hours	1,579,914	1,897,023	2,076,903	2,171,630	37.45%
Unlinked Passengers	20,607,369	27,753,507	32,674,688	36,466,597	76.96%
Revenue	$ 16,511,249	$ 27,311,335	$ 31,858,078	$ 36,010,314	118.10%
Efficiency Measures					
Operations Cost per VSH	$ 85.66	$ 81.95	$ 83.06	$ 84.24	-1.66%
Passengers per VSH	13.04	14.63	15.73	16.79	28.74%
Fare per Passenger	$ 0.80	$ 0.98	$ 0.98	$ 0.99	23.25%
CPI -- All Index	2.30%	7.40%	3.90%	3.10%	15.00%

MAINTENANCE

OCTD maintenance costs remained stable throughout the audit period, despite increased demands for cleaning and implementation of onboard vehicle safety measures.

Significant maintenance activities during the audit period include:

- Upgrades to maintenance facilities to adapt to new electric vehicles.
- Providing added training programs for maintenance staff (approximately 200 hours per mechanic) and hiring an additional trainer.
- Minimizing increases in overall maintenance cost to below the rate of inflation despite signficant increases in vehicle service miles.

Exhibit 12 provides detailed reporting of maintenance performance indicators by fiscal year during the audit period:

Exhibit 12: Maintenance Performance					
Performance Measure	Base Year FY21	Review Period FY22	FY23	FY24	Percent Change FY21 - 24
Key Base Measures					
Maintenance Costs	$ 57,484,273	$ 55,553,197	$ 58,155,078	$ 59,335,859	3.22%
Vehicle Service Miles	21,394,468	25,817,380	28,032,043	29,498,677	37.88%
Peak Vehicles	678	739	808	887	30.83%
Road Calls	2,056	2,272	2,725	2,527	22.91%
Active Vehicles	1,003	948	1035	998	-0.50%
Efficiency Measures					
Maintenance Cost per VSM	$ 2.69	$ 2.15	$ 2.07	$ 2.01	-25.14%
Total Miles Between Road Calls	10,406	11,363	10,287	11,673	12.18%
Spare Ratio	32.40%	33.68%	24.53%	11.01%	-66.01%
CPI -- All Index	2.30%	7.40%	3.90%	3.10%	15.00%

ADMINISTRATION

The OCTD administrative function addressed the following issues during the audit period:

- Improved coach operator safety programs including installing barriers to protect operators and deter unsafe behaviors.
- Entered into new agreement union that represents operators to provide higher compensation levels.
- Approval of the 2022 Long-Range Transportation Plan.

Exhibit 13 below provides a detailed listing of administrative performance indicators by fiscal year during the audit period:

Exhibit 13: OCTD Administrative Performance					
Performance Measure	Base Year FY21	Review Period FY22	FY23	FY24	Percent Change FY21 - 24
Key Base Measures					
Adminstrative Costs	$ 62,404,390	$ 84,243,226	$ 91,593,301	$ 94,889,543	52.06%
Vehicle Service Hours	1,579,914	1,897,023	2,076,993	2,171,630	37.45%
Vehicle Service Miles	21,394,468	25,817,380	28,032,043	29,498,677	37.88%
Peak Vehicles	678	739	808	887	30.83%
Efficiency Measures					
Admin. Cost per VSH	$ 39.50	$ 44.41	$ 44.10	$ 43.70	10.62%
Admin. Cost per VSM	$ 2.92	$ 3.26	$ 3.27	$ 3.22	10.28%
Admin. Cost per Peak Vehicle	$ 92,042	$ 113,996	$ 113,358	$ 106,978	16.23%
CPI -- All Index	2.30%	7.40%	3.90%	3.10%	15.00%

7. Conclusion

Despite the challenges in a post-pandemic environment, OCTD remains fully compliant with TDA requirements. OCTD has made efforts to both build back its ridership and make the system more efficient.

OCTA continues to monitor its system's key performance indicators to minimize service inefficiencies and reallocate service where it was most needed and monitor the effectiveness of its vehicle maintenance program. OCTD also continued to make progress on its capital program, including its Transit Asset Management program, technology upgrades that improved customer experience, and employee safety.

OCTD's marketing during the audit period has strengthened its overall ridership. In addition, they developed an alert system for paratransit riders to provide them text notices about arrival times which provides riders of this system with greater ability to adjust to changes in arrival time.

OCTA's *Comprehensive Business Plan* (completed in 2023) establishes OCTD's overall system of goals and objectives and connects long range service plans to a fiscally responsible financial planning process. Progress toward achieving its Board – directed initiatives is reported in OCTA's annual report on accomplishments.

Based on our interviews with OCTD staff and our review of fiscal, operational and administrative documentation, there are no functional review recommendations.

ATTACHMENT C

Orange County Transportation Authority

Triennial Performance Audit of the City of Laguna Beach – Laguna Beach Municipal Transit Lines

FY 2022 to FY 2024

April 2025

FINAL REPORT

Submitted by

BCA Watson Rice, LLP
in association with
Altmayer Consulting, Inc.

Table of Contents

1. Executive Summary 1
2. Performance Audit Approach and Methodology 4
3. Background, Challenges and Accomplishments 8
4. Compliance Review 12
5. Operational Performance Trends 17
6. Functional Review 20
7. Conclusions, Recommendations and Management Responses .. 24

Summary of Exhibits

Exhibit 1: Compliance with PUC Requirements

Exhibit 2: Compliance Data Consistency

Exhibit 3: Prior Audit Recommendations and Findings

Exhibit 4: System-Wide Performance

Exhibit 5: Trolley Service Performance

Exhibit 6: Demand Response Service Performance

Exhibit 7: Organizational Chart

1. Executive Summary

This report presents the results of the triennial performance audit of the City of Laguna Beach's public transit program known as Laguna Beach Municipal Transit Lines (LBMTL). The purpose of the audit is to provide a tool for the City of Laguna Beach (City) management and the California State Department of Transportation (Caltrans) to audit performance trends, evaluate compliance with California's Transportation Development Act (TDA) and obtain a high-level review of key functional achievements and challenges during the audit period. This triennial performance audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the Caltrans TDA Performance Audit Guidebook under California Public Utilities Code (PUC) Section 99246.

The period reviewed encompasses the three-year period from July 1, 2021, through June 30, 2024**.** The performance audit included a review of the following:

- **Compliance with PUC –** ensuring compliance with applicable PUC requirements.
- **Data Collection and Reporting –** verification of TDA data collection and reporting procedures.
- **Prior Audit Recommendations –** reporting on implementation of the prior triennial performance audit recommendations.
- **Performance Trends –** summaries of performance indicators for the audit period.
- **Functional Review –** high-level review of key functional areas surveyed as part of the process of conducting the audit, resulting in suggestions for operational and management improvements.

Our findings and recommendations include the following:

COMPLIANCE WITH PUC

LBMTL met all compliance requirements with respect to the PUC Section 99246 except for filing its FY 2024 State Controller's Report within seven months of the end of the fiscal year.

DATA COLLECTION AND REPORTING

LBMTL was not consistent with its reporting of key financial and operating statistics between the various agencies. Clarification in reporting operating costs, passenger revenues, and unlinked passenger trips should be implemented to ensure that performance data is being reported more consistently by service type on performance measurements reports.

PRIOR AUDIT RECOMMENDATIONS

LBMTL has made reasonable progress toward each of the six prior audit recommendations.

PERFORMANCE TRENDS

LBMTL system performance was significantly impacted by the coronavirus pandemic and its management decided to temporarily suspend transit operations from March 20, 2020, to June 24, 2021. In resuming service, LBMTL has seen its ridership on the system increase by 27.4% over the audit period, 17.1% for the Trolley service and 385% for the demand response. The large increase in the demand response service was a result of a significant expansion of services that were introduced in FY 2023. With the resumption and expansion of these services, LBMTL did see an increase in operating costs (16.7%) but these increases were consistent with the consumer price index during that period (15.0%) resulting in an increase in overall system efficiency.

FUNCTIONAL REVIEW

LBMTL is performing in a mostly efficient and effective manner. The City funded a short-range transit plan to be completed by LBMTL. LBMTL has also made efforts to address financial reporting issues relating to its methodology for calculating transit operator costs. In addition, the City moved from an in-house to contracted model for its drivers and dispatchers during the audit period. Finally, LBMTL has altered its demand response program to provide greater opportunity for residents and visitors to use the system across the City.

RECOMMENDATIONS

We recommend that LBMTL consider:

1) LBMTL should develop a consolidated service program which incorporates goals, objectives, proposed service and related financial plans, supported by market research and public input, to facilitate cooperative, performance and funding arrangements, for review by OCTA. It is notable that LBMTL has indicated that it will complete a short-range transit plan in the coming audit period.

2) LBMTL's financial and operational reporting should be reviewed to improve internal controls and resolve issues that may relate to timing differences, data classification and allocation by service type. Strengthened internal controls can provide reasonable assurance that operating and financial data is being recorded to provide consistency across regional, state and federal reporting requrements.

3) LBMTL should develop practices to ensure that it timely completes and files its financial reporting to the State Controller pursuant to PUC Section 99243.

More details of our findings and recommendations and management's responses are included in the body of this report.

2. Performance Audit Approach and Methodology

PERFORMANCE AUDIT APPROACH

The State mandates that all recipients of TDA funding undergo a performance audit every three years in order to remain eligible for future TDA funding. In FY 2024, the Orange County Transportation Authority (OCTA) retained BCA Watson Rice LLP (BCA) to conduct a Triennial Performance Audit of the LBMTL system.

The Triennial Performance Audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This performance audit was also conducted in accordance with the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September, 2008, Third Edition* (Guidebook) produced by the California Department of Transportation, which outlines the processes for evaluating a transit organization's effectiveness and efficiency, pursuant to State requirements.

While the Guidebook provides general information regarding performance audit requirements, suggested approaches and methodologies, more specific information necessary in understanding and defining the scope of these audits is included in the *Transportation Development Act, Statutes and California Code of Regulations, July, 2018* (TDA Code). While various sections of these regulations are periodically updated through legislative action, the annual booklet of TDA Code has not been updated during this triennium. To ensure that this audit addresses legislative changes enacted in the past three years, an overview of recent legislation was conducted to examine its potential impact on the FY 2022 – 2024 Triennial Performance Audit of Orange County operators.

Legislative Issues Affecting the Triennial Performance Audit

In 2023, the legislature passed Senate Bill 125 (SB 125). SB 125 exempts operators from having to meet the fare box recovery ratio of 20%. Its language reads:

"Existing law provides for the allocation of various revenues under the Transportation Development Act, to transit operators that meet specified requirements, including, as applicable, requirements related to operating costs, fare box ratios, and revenues, as specified. Existing law exempts those entities, for the 2019–20 to 2022–23 fiscal years, inclusive, as provided, from penalties or other provisions that would reduce the amount of revenues allocated as a result of failing to meet those requirements. This bill would extend those entities' exemptions through the 2025–26 fiscal year, as specified."

Given this legislation, our report will not include any findings of non-compliance related to farebox recovery ratios (PUC 99268.2 and 99268.3).

Additionally, the Federal Transit Administration (FTA) is making changes to NTD reporting requirements. These changes are anticipated to occur over multiple report years. One change that impacts LBMTL is that the FTA has issued revised filing forms for "reduced reporters." Reduced reporters are typically transit agencies that operate 30 or fewer vehicles in peak maximum service and do not operate fixed guideway systems. Their reporting requirements are less extensive than those of larger agencies and do not include a breakdown of maintenance and administrative expenses (usually identified in NTD reports within form F-30). As a result, the report below only includes performance data for the overall system and a breakdown of costs by mode.

Triennial Performance Audit Key Tasks

The performance audit was designed to include a review of the following:

- **Compliance with PUC Section 99246** – evaluating the efficiency, effectiveness and economy of the operation of the entity being audited, including, but not limited to, a verification of the performance indicators defined in PUC Section 99247:

- Operating cost per passenger
- Operating cost per vehicle hour
- Passengers per vehicle service hour
- Passengers per vehicle service mile; and
- Vehicle service hours per employee

- **Data Collection and Reporting** – verification of TDA data collection and reporting procedures as well as consistency of data reporting between the following reports: LBMTL's Performance Measurements reports, federal National Transit Database (NTD) and State Controller's Transit Operators Financial Transactions Report.

- **Prior Audit Recommendations** – reporting on implementation of prior triennial performance audit recommendations.

- **Performance Trends** – summaries of performance indicators for the audit period related specifically to operational performance, efficiency and effectiveness are typically a significant element of the triennial audit process; however, as LBMTL's service was only resumed in late June 2021 after a yearlong shutdown during the COVID-19 pandemic, a meaningful analysis of performance trends is not possible.

- **Functional Review** - high-level review of key functional areas which were surveyed as part of the audit process. Areas of review included general management, finance, administration, service planning, scheduling, dispatch, operations, maintenance and marketing.

The Guidebook details an approach to conducting the performance audit which consists of an audit of key financial, administrative and operational documents and interviews with key management staff.

DOCUMENTS REVIEWED

The following compliance documents were reviewed to ascertain completion and timely submission to the appropriate reporting agency:

- National Transit Database (NTD) reports for FY 2022 through FY 2024

- State Controller Transit Operations Financial Transactions reports for FY 2022 through FY 2023
- Orange County Transportation Authority TDA Guidelines
- Prior Triennial Performance Audits and written responses to the recommendations
- California Highway Patrol Inspection Reports for FY 2022 through FY 2024
- Laguna Beach Trolley Tracker App
- Laguna Beach Trolley Schedule
- TransLoc App
- Zero-Emission Bus Rollout Plan, June 2023

INTERVIEWS WITH KEY MANAGEMENT

The following management team members were interviewed as part of the Triennial Performance Audit:

- Michael Litschi, City of Laguna Beach, Director of Transit and Community Services
- Shannon Espinoza, City of Laguna Beach, Finance Manager

3. Background, Challenges and Accomplishments

The City has operated transit service since 1970. Over the triennial audit period, LBMTL re-evaluated and re-designed its demand response service to promote ridership, particularly among its residents. The following system profile describes LBMTL service from July 1, 2021 through June 30, 2024.

SYSTEM PROFILE

LBMTL serves a population of 22,332 residents within a nine square mile service area. The area is most known for its annual Summer Festival Season which is a major regional attraction for Orange County. LBMTL provides transit service to these seasonal events as well as year-round community-based transit options for residents and visitors as follows:

- *Fixed-Route Trolley Service* – LBMTL operates a free fixed-route trolley service along two routes:
  - The Coastal Route operates along Coast Highway between North Laguna/Heisler Park, downtown, South Laguna/Mission Hospital, and the Ritz Carlton in Dana Point. This route runs seven days a week, year-round. Weekday routes start at 7:30 a.m. and end between 6:00 p.m. (Monday through Thursday) and 10:00 p.m. (Friday). Weekend service begins at 9:00 a.m. and ends at 10:00 p.m. on Saturday and 7:00 p.m. on Sunday. Frequency is 20 to 30 minutes. During the summer season, service is extended from 9:00 a.m. to 11:30 p.m., seven days a week.
  - The Canyon Route operates on Laguna Canyon Road linking a peripheral parking lot to downtown Laguna Beach on Saturdays and Sundays in the non-summer season (9:00 a.m. to 7:00 p.m.). During the summer season, service is extended from 8:30 a.m. to 11:30 p.m., seven days a week. Frequency of service is between 20 and 40 minutes.
- *Summer Breeze Service* – Between June and Labor Day, the Summer Breeze provides service approximately every 30 minutes linking a free,

parking lot in the City of Irvine with downtown Laguna Beach and the summer art festival venues. This service operates from Friday to Sunday from 10:00 a.m. to 11:30 p.m. Frequency of service is approximately 30 minutes.

- *Laguna Beach Local* – LBMTL offers a free, on-demand, shared-ride transit services that operates between residential neighborhoods and the City's major activity centers. Using hybrid-electric vehicles, the Laguna Beach Local can accommodate up to 5 riders at time. Rides can be booked using the TransLoc app, by phone or through the LBMTL website. The average wait time is approximately 15 to 20 minutes. The Laguna Beach Local is wheelchair accessible.

FARES

LBMTL has offered a free fare system for both its fixed route and demand response systems since December 2019.

KEY CHALLENGES DURING THE AUDIT PERIOD

Addressing the challenges in a post-pandemic environment was a top priority for most transit operators during the triennial audit period. The following is a summary of key post-pandemic challenges faced by transit agencies:[1]

- *Reduced Ridership* -- As transit agencies emerged out of the pandemic, they were faced with changes in ridership and commuting patterns. A growing percentage of the population now has the option of working from home at least a portion of the time which has altered the numbers of people riding transit. According to the FTA, overall ridership in September of 2023 was only 74% of pre-pandemic levels. While overall ridership has declined, many front-line workers, especially from historically

[1] For more detail on these issues, see Federal Transit Administration Report No. 0268, *Effects of the COVID-19 Pandemic on Transit Ridership and Accessibility* (August 2024) ("FTA Report).

disadvantaged communities, continue to rely on transit to travel to work and other destinations. People were also more likely to ride transit if they did not have access to a personal vehicle, were disabled, or lived in households that lost income during the pandemic.

- *Workforce Shortages* -- Transit agencies experienced workforce shortages during the pandemic and many of those shortages continue today, especially among bus operator positions. In a July 2022 APTA survey of agencies and workers, the primary obstacles to recruiting and retaining workers included difficult work schedules and on-the-job harassment or assaults. To address these concerns, agencies are being forced to revisit recruiting strategies, improve hiring processes, enhance training programs, incentivize undesirable shifts, improve the safety and security of workers, and increase compensation.
- *Fiscal Challenges* -- As ridership declined nationwide, farebox revenues similarly declined. According to the FTA Report, national farebox recovery ratios were 31.7% in 2019, but only 16.7% in 2022. Despite reductions in service levels, operating costs tended to remain relatively static since most transit systems are capital intensive and have high fixed costs. A spike in inflation following the pandemic also impacted both personnel and supply costs resulting in further economic hardship to the agencies.
- *Supply Chain Shortages* – Transit agencies have been facing supply chain shortages that have limited their ability to procure vehicles and have increased vehicle maintenance costs. These supply chain issues have impacted the ability of some transit agencies from maintaining consistent service.

As a result of these challenges, many transit agencies have reduced service levels. Much of the reduced service has come at the expense of the frequency of service rather than a reduction in the number or the scope of routes, but the effects have still impacted riders. According to an APTA survey, transit agencies cited several causes that forced a reduction in service including diminished ridership (78%), economic losses (36%), and staff shortages (34%) being the most common factors.

KEY LBMTL CHALLENGES DURING THE AUDIT PERIOD

The following is a summary of other key challenges addressed specifically by LBMTL during the audit period:

- Recruiting and retaining operators for the Trolley service has been challenging. LBMTL worked with the contract operator to increase hourly rates to help recruit drivers, especially during the summer season.
- Hotels and tourism did not begin to fully recover until 2023 and, as a result, ridership took longer to come back than on other systems less dependent on tourism. This delay in returning ridership impacted both the Trolley system as well as Laguna Beach Local.
- LBMTL continues to use manual tracking to measure ridership but are transitioning to automated system in the next audit period.
- Expansion of the demand response service area is complicated by topography, dead-end streets and gated communities. LBMTL adapted to these conditions by creating zones of pick-up and drop-off points. For most residents, pick-up and drop-off points will be within a few blocks of their residence.

KEY LBMTL ACCOMPLISHMENTS DURING THE AUDIT PERIOD

The following is a summary of key accomplishments achieved by LBMTL during the audit period:

Transition to contracted services for all transit within the City has been seamless. LBMTL develped a system for contract management that includes weekly calls with onsite managers to address high-level issues and any upcoming events that may impact service. Transit supervisors also meet weekly with staff to review operational issues such as staffing and maintenance concerns.

- Added additional Trolley service on holidays and weekends to address growing ridership.

- Developed new art-inspired signage for the Trolley service to highlight the culture of Laguna Beach.
- Placed QR codes on signage to provide riders real time Trolley information including arrival time and maps.
- Expanded the service area for the Laguna Beach local to include major intersections and former Trolley stops resulting in approximately 150 virtual stops across the City. This service is available to all residents and visitors 13 years of age and older.
- Eliminated the reservation system for demand response and replaced it with an on-demand system. The average wait time of the on-demand service is approximately 15 to 20 minutes.
- Completion of the Zero Emission Bus (ZEB) Rollout Plan to ensure the agency has a strategy to fully transition its bus fleet to zero emission by 2040.
- Worked with contracted operator to implement the Samsara video-based safety system, including inward and outward facing cameras, in all trolley and on-demand vehicles, which has helped with traning and accident investigation.

4. Compliance Review

AREAS OF REQUIRED COMPLIANCE

The objective of this section is to detail compliance with the State's requirements for transit operations and regional planning, the recommendations set forth in the prior triennial performance audit and maintaining a consistent reporting of performance statistics to local, state and federal agencies.

COMPLIANCE WITH THE STATE PUC REQUIREMENT

Transit systems must comply with TDA requirements that are specified in PUC Regulations and the California Code of Regulations as noted in Exhibit 1. The compliance matrix provides the degree to which funds allocated to the claimant pursuant to TDA requirements were expended in conformance with applicable laws and rules and

regulations. LBMTL was found to be compliant with all applicable PUC requirements except for one instance of not filing its State Controller annual report within 7 months of the end of the fiscal year.

Exhibit 1:
Laguna Beach Transit's Compliance with PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding
PUC Section 99243	Submit annual reports to the State Controller, based on the Uniform System of Accounts and Records established by the State Controller, within seven months after the end of the fiscal year.	Partial Compliance; FY24 report not filed by March 1, 2025. Reports for FY22 and FY23 were submitted timely.
PUC Section 99245	Submit annual fiscal and compliance reviews to RTPE and State Controller within 180 days of the end of the fiscal year or receive 90-day extension.	In Compliance
PUC Section 99251	CHP has certified operator's compliance with Vehicle Code 1808.1 within 13 months prior to TDA claim submittal.	In Compliance
PUC Section 99261	Claims for TDA funds are submitted in compliance with RTPE's rules and regulations.	In Compliance
PUC Section 99264	Public transportation vehicles designed to be operated by one person are not routinely staffed with two or more persons.	In Compliance
PUC Section 99266	Operating budget has not increased by more than 15% over preceding year unless reasonable justification has been provided.	In Compliance
PUC Section 99267	The operator's definitions of performance measures are consistent with the PUC.	In Compliance
PUC Section 99268.2 99268.3	Operator has maintained a ratio of fare revenues to operating costs at least equal to or exceeding 20% for the general public service in urban areas.	In Compliance[1]
PUC Section 99271	The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing an RTPE-approved plan to fully fund the retirement system within 40 years.	In Compliance
CA Code of Regs	Available federal funds are used prior to claiming STA funds.	In Compliance

[1] LBMTL is exempt pursuant to SB 125 as referenced above.

CONSISTENCY OF DATA REPORTING

Operators are expected to consistently report performance statistics to local, state and federal agencies. Exhibit 2 provides a summary of key statistics provided to the following agencies:

- **State Controller's Office -** The State Controller's office requires that all agencies submit an annual summary of financial statistics.
- **National Transit Database (NTD) -** The Federal Transit Administration (FTA) requires that transit agencies which receive FTA grants annually submit financial and operating data in uniform categories.

Exhibit 2: System-Wide Performance Measures				
Source	Base Year	Review Period		
	FY21	FY22	FY23	FY24
Operating Costs				
FTA National Transit Database	$ 1,351,764	$ 4,229,458	$ 4,658,162	$ 4,934,669
State Controller's Report	$ 1,015,749	$ 3,506,538	$ 4,320,288	n/a
Farebox Revenues				
FTA National Transit Database	$ 1,626	$ -	$ -	$ -
State Controller's Report	$ 1,626	$ -	$ -	n/a
Local Subsidies and Auxiliary Revenues*				
FTA National Transit Database	$ 687,856	$ -	$ -	$ -
State Controller's Report	$ 109,759	$ -	$ -	n/a
Unlinked Passengers				
FTA National Transit Database	12,921	553,392	668,909	705,237
State Controller's Report	12,921	557,192	675,023	n/a
Vehicle Service Hours				
FTA National Transit Database	1,093	33,468	44,814	47,976
State Controller's Report	1,093	33,763	45,076	n/a
Vehicle Service Miles				
FTA National Transit Database	8,091	320,652	430,277	470,655
State Controller's Report	8,091	321,825	431,932	n/a
Employee Full-Time Equivalents				
FTA National Transit Database	Not Reported	Not Reported	Not Reported	Not Reported
State Controller's Report	77	21	28	n/a
Peak Vehicles				
FTA National Transit Database	18	22	24	24
State Controller's Report	18	19	21	n/a
Active Vehicles				
FTA National Transit Database	25	29	31	32
State Controller's Report	25	29	31	n/a

LBMTL was marginally consistent in reporting key financial and non-financial operating statistics for NTD and State Controller's reporting. Some of these inconsistencies may be related to different calculation methodologies for the different reports. For example, the NTD does not include charter costs and charter ridings within required calculations, but those numbers are included for the State Controller reporting.

While operating cost numbers may differ based on the foregoing, differing methodologies do not appear to explain difference for items such as peak vehicles, vehicle service miles and vehicles service hours.

PRIOR AUDIT RECOMMENDATIONS

TDA audit guidelines require a follow-up as to whether recommendations from the prior period's audit have been implemented. LBMTL has completed or made reasonable progress on all the prior year's performance audit recommendations, as shown in Exhibit 3 below:

Exhibit 3: Prior Audit Recommendations	
Prior Audit Recommendation	Implementation Progress
LBMTL should develop a consolidated service program which incorporates goals, objectives, proposed service and related financial plans, supported by market research and public input, to facilitate cooperative, performance and funding arrangements, for review by OCTA.	Partial Implementation: LBMTL prepared an annual Parking Management Plan and continued to prepare quarterly performance reports for its Trolley services. During the audit period, staff also completed other reports regarding the performance of the system resulting in modifications to service. It is ancipated that in the next audit period, the City will complete a short-range transit plan which will more fully develop comprehensive goals and objectives to the system.
LBMTL should develop a methodology for allocating operating costs across LBMTL service types, so that when aggregated, total operating costs reflect operating costs reported in other compliance reports.	Implemented: The City retains detailed backup on its methodology for calculating transit operating costs. Staff worked with the City's Finance Department to review and update the cost allocation methodology. LBMTL now uses vehicle service miles as the cost driver to allocate costs between the different operating modes.
LBMTL charter fees should be structured to eliminate public subsidy of charter operations.	Implemented: Charter fees have been revised and no longer include any public subsidy for private operations.
LBMTL should consider the assignment of auxiliary and local subsidy to facilitate the calculation of farebox recovery ratios in accordance with SB 508.	Implemented: City implemented this recommendation as part of the FY 2023-24 TDA claim submittal.
LBMTL should obtain accurate information on FTE employees provided by its contractor and include that in its reporting to OCTA.	Implemented: City completed this recommendation as part of the FY 2023-24 TDA claim submittal.
TDA performance reports should clearly identify and distinguish between audited and estimated data.	Implemented: City implemented this recommendation as part of the FY 2023-24 TDA claim submittal.

5. Operational Performance Trends

OVERVIEW

In this section we present the results of our analyses of performance statistics for the three-year audit period for services operated by LBMTL. California PUC Section 99246 mandates that a triennial performance audit analyze an operator's performance of the following five key performance indicators:

1. Operating cost per vehicle service hour
2. Operating cost per passenger
3. Passengers per vehicle service hour
4. Passengers per vehicle service mile
5. Vehicle service hours per employee

Data for the analysis of these indicators were compiled using data from the NTD and the State Controller's reports prepared by LBMTL. The performance trends cover the period from FY 2022 through FY 2024.

PERFORMANCE INDICATOR TABLES – SYSTEM-WIDE

Operating costs increases were consistent with the consumer price index (CPI) over the audit period with a 16.7% rise over the five-year period compared to a 15.0% CPI inflation rate. At the same time there has been a significant increase in vehicle service hours (43.4%), vehicle service miles (46.8%) and ridership (27.4%). As a result of constrained cost increases from FY 2022 to FY 2024, the agency's efficiency measures for the system have been largely positive with cost per vehicle service hour dropping 18.6% and cost per passenger dropping 8.5%.

Exhibit 4 below provides detailed reporting by each fiscal year of the period:

Exhibit 4: Laguna Beach Transit System-Wide Performance				
				% Change
Performance Measure	FY22	FY23	FY24	FY21 to FY24
Key Base Measures				
Operating Costs	$ 4,229,458	$ 4,658,162	$ 4,934,669	16.67%
Vehicle Service Hours	33,468	44,814	47,976	43.35%
Vehicle Service Miles	320,652	430,277	470,655	46.78%
Unlinked Passengers	553,392	668,909	705,237	27.44%
Full Time Equivalents**	21	28	n/a	n/a
Efficiency Measures				
Cost per VSH	$ 126.37	$ 103.94	$ 102.86	-18.61%
Cost per Passenger	$ 7.64	$ 6.96	$ 7.00	-8.45%
Passengers per VSH	16.53	14.93	14.70	-11.10%
Passengers per VSM	1.73	1.55	1.50	-13.18%
CPI -- All Index	7.40%	3.90%	3.10%	15.00%

**FTE data taken from SCO reports; all other data from NTD reports. At the time of this report, LBMTL had not yet filed their SCO report for FY 2024.

PERFORMANCE INDICATOR TABLES – TROLLEY SERVICE

LBMTL's trends for its Trolley service are relatively positive for the audit period. Operating costs increased only 6.2% (compared to 15.0% CPI). Moreover, the agency was able to increase its ridership by over 17.2% with significant growth from FY 2022 to FY2023 as the City began to recover from losses in tourism due to the pandemic. As a result, efficiency measures were mostly positive with cost per vehicle service hour only increasing 11.1% and the cost per passenger dropping 9.4%. Passengers per vehicle service mile and vehicle service hour also rose significantly.

Exhibit 5: Laguna Beach Transit Motor Bus Service Performance (Trolley)				
Performance Measure	FY22	FY23	FY24	Percent Change from FY22 to FY24
Key Base Measures				
Operating Costs	$ 3,312,880	$ 3,659,016	$ 3,519,397	6.23%
Vehicle Service Hours	28,955	29,759	27,697	-4.34%
Vehicle Service Miles	280,395	302,869	285,843	1.94%
Unlinked Passengers	537,999	620,151	630,488	17.19%
Full Time Equivalents*	18	20	n/a	-100.00%
Efficiency Measures				
Cost per VSH	$ 114.41	$ 122.95	$ 127.07	11.06%
Cost per Passenger	$ 6.16	$ 5.90	$ 5.58	-9.35%
Passengers per VSH	18.58	20.84	22.76	22.51%
Passengers per VSM	1.92	2.05	2.21	14.96%
CPI -- All Index	7.40%	3.90%	3.10%	15.00%

*FTE data taken from SCO reports; all other data from NTD reports At the time of this report, LBMTL had not yet filed their SCO report for FY 2024

PERFORMANCE INDICATOR TABLES – DEMAND RESPONSE

Following the pandemic and beginning in FY 2022, LBMTL expanded its demand response system. LBMTL redesigned the service area to include all major intersections and former Trolley stops resulting in approximately 150 virtual stops. They also made this service available to all residents and visitors 13 years of age and older. These changes make it difficult to make a meaningful analysis of trends. It is important to note, however, that LBMTL's demand response service has increased its ridership from 15,393 in FY 2022 to 74,749 in FY 2024. While some of this increase is attributable to recovering tourism beginning in FY 2023, it is also attributable to the success of its expanded service. Below in Exhibit 6 are the detailed demand response data for the audit period.

Exhibit 6: Laguna Beach Transit Demand Response Service Performance				
Performance Measure	FY22	FY23	FY24	% Change from FY22 to FY24
Key Base Measures				
Operating Costs	$ 916,578	$ 999,146	$ 1,415,272	54.41%
Vehicle Service Hours	4,513	15,055	20,279	349.35%
Vehicle Service Miles	40,257	127,408	184,812	359.08%
Unlinked Passengers	15,393	48,758	74,749	385.60%
Efficiency Measures				
Cost per VSH	$ 203.10	$ 66.37	$ 69.79	-65.64%
Cost per Passenger	$ 59.55	$ 20.49	$ 18.93	-68.20%
Passengers per VSH	3.41	3.24	3.69	8.07%
Passengers per VSM	0.38	0.38	0.40	5.78%
CPI -- All Index	7.40%	3.90%	3.10%	15.00%

*FTE data taken from SCO reports; all other data from NTD reports At the time of this report, LBMTL had not yet filed their SCO report for FY 2024

6. Functional Review

Because LBMTL now reports its NTD data as a “reduced reporter”, there is no data listed in those reports segregating out operations, maintenance and administrative costs. As a result, this section focuses on a high-level review of key functions and how they further the goal of being an efficient and effective operator.

Operations and Planning

LBMTL made significant changes during the audit period to address the post-pandemic environment. In FY 2023, and in response to the needs of its residents, LBMTL expanded its demand response system to provide greater coverage throughout the City. The success of this expansion can be seen in a vastly improved ridership.

While the agency has been nimble and innovative with its demand response system, as noted in the prior audit, the agency does not have a consolidated service program which incorporates goals, objectives, proposed service and related financial plans, supported by market research and public input, to facilitate cooperative, performance and funding arrangements. Several documents contain annual goals and objectives for LBMTL services including the annual Summer Parking Management Plan. This report addresses immediate transit service efficiencies and improvements only and does not provide a

higher-level evaluation of the system's strategic goals. This type of evaluation could be accomplished by the completion of a short-range transit plan which the agency reports it will be undertaking during the next audit period.

Financial and Operational Reporting

The level of data inconsistency in LBMTL's compliance reporting should be evaluated in order to improve internal controls and resolve issues that may relate to timing differences, data classification and allocation by service type. Strengthened internal controls can provide reasonable assurance that operating and financial data is being recorded to provide consistency across regional, state and federal reporting requrements. LBMTL has strenthened this reporting during the audit period by developing a new system of allocating costs between modes.

Vehicle Maintenance and Safety

LBMTL maintains an active fleet of 25 accessible transit vehicles (approximately 18 are used regularly) on its Trolley system and 7 vehicles for its demand response system. The City's Public Works Department does the maintenance on the trolley fleet, while the contract operator (LAZ Parking) owns and maintains the on-demand fleet. As required by the PUC, the LBMTL transit fleet undergoes annual compliance inspections by the California Highway Patrol.

During the audit period, LBMTL developed a plan that identifies strategies for moving towards a zero emissions fleet. According to the Zero Emission Bus (ZEB) Rollout Plan developed in 2023, LBMTL's fleet will be fully served by ZEBs by 2031, 9 years ahead of the 2040 requirement. The last non-ZEB (propane) trolleys were leased in 2019. LBMTL will now purchase only zero-emission trolleys beginning in 2025 and continuing through 2031 to transition to a zero-emission fleet. The bus replacement schedule has been designed to allow each bus to serve its useful life. Because of the limited ranges of the existing battery electric trolleys, high daily mileage during peak season, and constrained time available for depot charging, LBMTL may need to enlarge its fleet beyond the 18 currently used on a regular basis to maintain existing levels of service.

Marketing and Public Relations

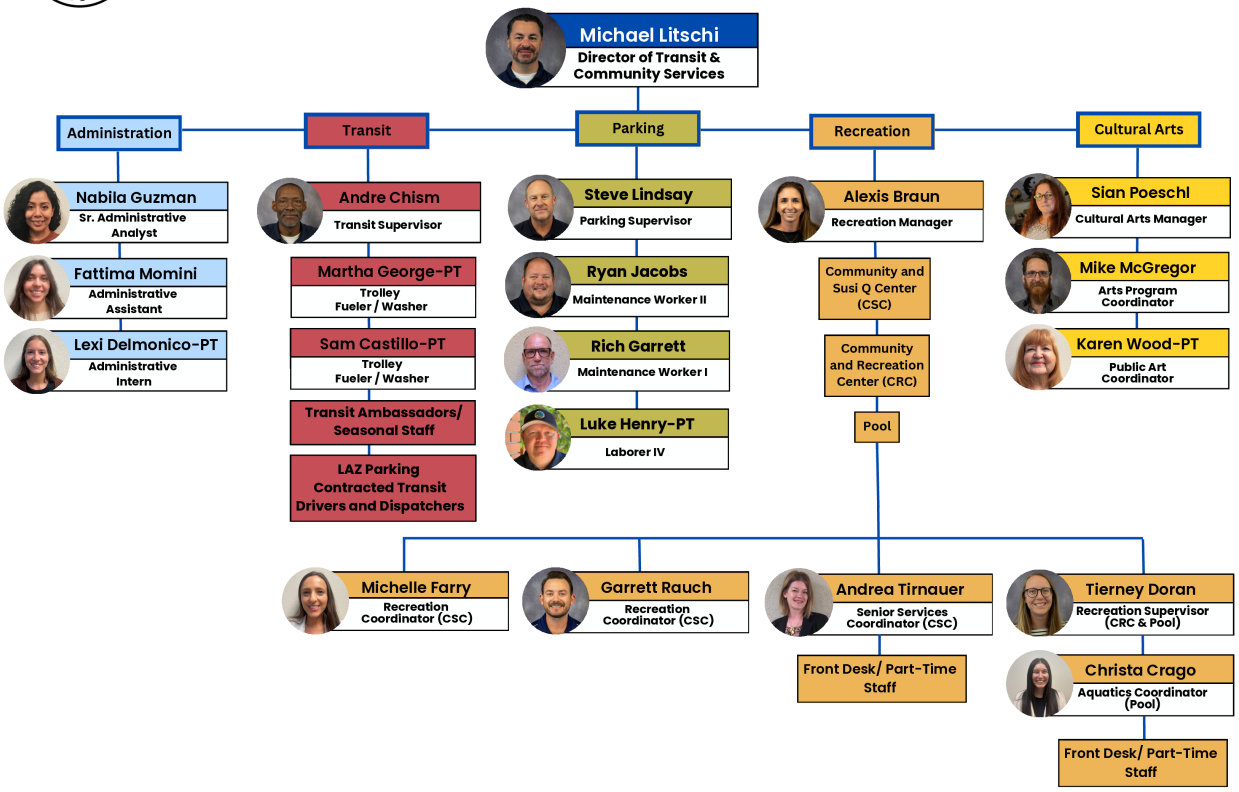
LBMTL maintains a well-designed website that contains information about the services it provides. It also maintains its bus stops and wayfinding signage at key parking and other boarding locations to assist passengers in accessing the transit service. It has also implemented real-time bus arrival information which is available to customers which can be accessed using QR codes on LBMTL signage.

LBMTL Organizational Structure

LBMTL operates as a function of the City of Laguna Beach Department of Transit and Community Services. LBMTL contracts out the operation of its service with LAZ Parking which provides the operators for the system. LBMTL continues to provide maintenance in-house. The organizational structure is shown in the following exhibit:

Exhibit 7

Transit & Community Services Organization Chart



7. Conclusions, Recommendations and Management Responses

LBMTL mostly met its compliance requirements with respect to PUC 99246. The only noted non-compliance related to a failure by LBMTL to submit its State Controller's report in a timely manner for FY 2024. In addition, the agency was somewhat inconsistent in its reporting of key financial and operating statistics to regional, state and federal compliance agencies. While some of these issues may be a result of definitional categories between the NTD and State Controller reports, LBMTL should continue to strengthen its reporting processes to address these inconsistencies. Finally, LBMTL made meaningful progress toward or successfully addressed most of the prior audit recommendations. We do, however, recommend the continuation of one prior recommendation related to the development of a consolidated service program to more fully detail the agency's long-term goals and objectives and plan for their implementation.

The following are our findings and recommendations:

Finding #1: LBMTL does not have a cohesive set of strategic goals for the transit system.

Recommendation #1: LBMTL should develop a consolidated service program which incorporates goals, objectives, and proposed service and related financial plans. It should be supported by market research and public input to facilitate cooperative performance and funding arrangements for review by OCTA. It is notable that LBMTL has indicated that it will complete a short-range transit plan in the coming audit period.

Management's Response:

During the audit period, the City contracted with transportation consulting firm Fehr & Peers to complete a comprehensive Parking and Transportation Demand Management (TDM) Report. This report, adopted by City Council in June 2023 and updated in June 2024, assessed the City's public parking and transit needs. It includes recommended short- and long-term strategies to enhance the City's TDM programs, including enhancements to the City's transit services. The TDM report was developed after a significant public participation process, including multiple community meetings. It takes a

strategic view at how to best integrate parking and transit improvements in Laguna Beach, including capital projects, operational improvements and changes to the City's parking code. The City Council prioritized completing the TDM report first, given the unique needs of Laguna Beach and the challenge of planning for 7 million annual visitors. Effective parking management is closely linked with transit service options. As a follow-up to the TDM report, staff plans to complete a short-range transit study during the next audit period that will take a more focused look at the City's fixed-route and on-demand transit services, including developing a cohesive set of goals and financial plan based on community needs.

In addition, the City prepares an annual Parking Management Plan (PMP) update, which is submitted to the City Council for review and approval each spring. The PMP provides an update on the performance of the City's parking and transit programs for the previous summer season, as well as recommended strategies for the upcoming year. The City's most recent PMP update was prepared in March 2025 and is scheduled for adoption by City Council on April 8, 2025.

Finding #2: LBMTL has strenthened its financial and operating reporting during the audit period by developing a new system of allocating costs between modes. However, LBMTL continues to have inconsistencies in its financial reporting between NTD and State Controller reports.

Recommendation #2: LBMTL's financial and operational reporting should be reviewed to improve internal controls and resolve issues that may relate to timing differences, data classification, and allocation by service type. Strengthened internal controls can provide reasonable assurance that operating and financial data is being recorded to provide consistency across regional, state and federal reporting requrements.

Management's Response:

The City retains detailed backup documentation on its methodology for calculating transit operating costs, revenue, ridership, and other metrics, which are reported as part of the required annual NTD, State Controller and TDA reports. This documentation is used to

justify any variances in reported amounts due to inconsistencies in reporting guidelines for each agency. Staff worked with City's Finance Department to review and update cost allocation methodology for transit services.

For example, the NTD report excludes any charter boardings in the total annual passenger count, while the State Controller Report (SCO) includes charter boardings, resulting in different passenger totals. Additionally, the NTD report also excludes charter trip details such as revenue hours and revenue miles, whereas the SCO report includes them. As a result, the SCO data does not align with the NTD operational data and financial expenses because it excludes charter trips and expenses. Discrepancies in the financial and operational data during this audit period are primarily due to the differing reporting guidelines for each report.

Finding #3: LBMTL did not file its FY 2024 State Controller Report within 7 months from the close of the fiscal year.

Recommendation #3: LBMTL should develop practices to ensure that it timely completes and files its financial reporting to the State Controller pursuant to PUC Section 99243.

Management's Response:

The City issued a Request for Proposal (RFP) for new audit services for the FY 23-24 audit year. In addition to the timeline for the RFP, the City is required to have the City's Audit & Investment AD Hoc Committee participate in the interview process of the audit firm candidates. Once this step was completed, the Audit Committee then had to present their recommendation to the City Council for approval of the new auditors. This recommendation was presented to the Council on August 13, 2024. The current auditor contract with LSL, LLP was signed in September 2024.

Since the new auditors had prior engagements with other clients, and the City was a new, late client, LSL tentatively scheduled the City of Laguna Beach audit to be completed by March 31, 2025. As a result, the SCO FTR and Transit Operators report was not reported to the SCO by the March 1, 2025, deadline. The City's auditors advised the City to notify

the SCO's office of the delayed submission, as the reports would be prepared by the LSL under the current contract. The Finance Department has already contacted the SCO's office to inform them of the late submission.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Fiscal Year 2024-25 Third Quarter Grant Reimbursement Status Report

Finance and Administration Committee Meeting of May 14, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, and Tettemer
Absent: Director Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Receive and file as an information item.

OCTA

May 14, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Fiscal Year 2024-25 Third Quarter Grant Reimbursement Status Report

Overview

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the third quarter of fiscal year 2024-25, covering January through March 2025.

Recommendation

Receive and file as an information item.

Discussion

The Orange County Transportation Authority (OCTA) has secured grant funding from federal and state grant agencies to deliver programs, projects, and services to improve mobility in Orange County. The use of these funds is consistent with the capital programming policies approved by the Board of Directors (Board). The Quarterly Grant Reimbursement Status Report summarizes current and closed grant agreements.

New Grant Agreements:

During the third quarter, three grant agreements were executed.

California Department of Toxic Substances Control Equitable Community Revitalization Grant (ECRG). OCTA received $350,000 to evaluate environmental conditions along the former Pacific Electric corridor between the cities of Garden Grove and Santa Ana. The assessment supports efforts to reclaim the corridor for an active transportation trail and identify any environmental impacts from past railroad use.

Fiscal year (FY) 2024 Transit Security Grant Program (TSGP). OCTA executed an agreement to receive $116,600 in TSGP funds to support the OCTA Transit Police Services Visible Intermodal Prevention and Response.

FY 2025 Road Maintenance and Rehabilitation Account. OCTA executed a grant agreement with the California Department of Transportation to secure $200,000 in competitive sustainable communities grant funds. These funds will be used to update OCTA's current Zero-Emission Bus Rollout Plan.

Current Grant Agreements:

OCTA has 14 Federal Transit Administration (FTA) formula grant agreements and two FTA discretionary grant agreements.

The 14 FTA formula grant agreements have a total federal amount of $273.1 million. A total of $223.7 million has been reimbursed, leaving a balance of approximately $49.4 million. The balance of these FTA formula grant agreements will primarily fund bus operations, the OC Streetcar project, and rail rehabilitation projects.

The two FTA discretionary grant agreements have a total federal amount of $149.9 million. This includes the full funding grant agreement award of $148.9 million. A total of $136.8 million has been reimbursed, leaving a balance of $13.1 million. The balance of these FTA discretionary grant agreements will primarily fund the OC Streetcar project.

The total FTA formula and discretionary grant agreements amount to $423 million. The total amount reimbursed through the third quarter under these grant agreements is $360.6 million, leaving a balance of $62.4 million. These grant agreements are summarized in Attachment A.

OCTA has 31 active State and Federal Highway Administration formula grant agreements that total $259.9 million. The total amount reimbursed through the third quarter under these agreements is $60 million, leaving a balance of $199.9 million. These grant agreements are summarized in Attachment B.

In addition, OCTA has 24 active state discretionary grant agreements totaling approximately $74.8 million. The total amount reimbursed through the third quarter under these other agreements is $34.4 million, leaving a balance of $40.4 million. These grant agreements are summarized in Attachment C.

This report is as of March 31, 2025. Any grants with a deadline between the quarter end and the date this report is published will be reimbursed and closed out. This activity will be reflected in next quarter's report. Additionally, for these

grants, staff anticipates each of the remaining balances to be fully reimbursed prior to the grant agreement expiration date.

Closed Grant Agreements:

There were five grant agreements totaling $221.3 million that were closed out in the third quarter of FY 2024-25.

These grant agreements are summarized in Attachment D.

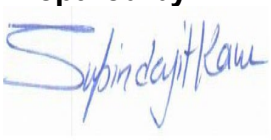
Summary

This report provides an update of the grant agreement-funded activities for the third quarter of FY 2024-25, January through March 2025. Staff recommends this report be received and filed as an information item.

Attachments

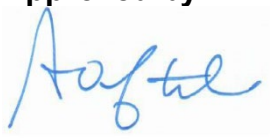
A. Third Quarter Grant Reimbursement Status Report, January through March 2025, Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements
B. Third Quarter Grant Reimbursement Status Report, January through March 2025, State and Federal Highway Administration Formula Grant Agreements
C. Third Quarter Grant Reimbursement Status Report, January through March 2025, State Discretionary Grant Agreements
D. Third Quarter Grant Reimbursement Status Report, January through March 2025, Closed Grant Agreements

Prepared by:



Sam Kaur
Department Manager,
Revenue Administration
714-560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649

Third Quarter Grant Reimbursement Status Report

January through March 2025

ATTACHMENT A

Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements						
	FEDERAL FISCAL YEAR	GRANT NUMBER	FEDERAL AMOUNT	FEDERAL AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
Formula Grants						
FTA Section 5307 - FTA Urbanized Area Formula Grant Program						
1	2022	CA-2023-109	$ 48,505,333	$ 45,545,723	$ 2,959,610	October 2026
FTA Section 5307 Grant Subtotal			**$ 48,505,333**	**$ 45,545,723**	**$ 2,959,610**	
FTA Section 5307 - Federal Funds flexed from the Federal Highway Administration (FHWA)						
2	2017	CA-2017-072	$ 31,567,405	$ 31,512,058	$ 55,347	October 2025
3	2020	CA-2021-010	42,599,378	32,618,984	9,980,394	December 2026
4	2020	CA-2022-082	34,515,000	32,953,508	1,561,492	December 2026
5	2021	CA-2022-170	62,585,945	61,731,115	854,830	August 2026
6	2021	CA-2023-211	3,660,000	1,576,463	2,083,537	January 2027
7	2022	CA-2023-196	1,770,000	777,952	992,048	November 2025
8	2022	CA-2023-220	19,493,998	2,000,000	17,493,998	June 2026
9	2023	CA-2024-048	5,721,000	3,669,613	2,051,387	September 2027
FTA Section 5307 Flexed Grant Subtotal			**$ 201,912,726**	**$ 166,839,693**	**$ 35,073,033**	
FTA Section 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities Grant Program						
10	2023	CA-2024-112	$ 3,366,773	$ 0	$ 3,366,773	May 2027
FTA Section 5310 Grant Subtotal			**$ 3,366,773**	**$ 0**	**$ 3,366,773**	
FTA Section 5337 - State of Good Repair Grant Program						
11	2021	CA-2021-227	$ 3,274,762	$ 3,269,961	$ 4,801	December 2025
12	2023	CA-2024-111	3,972,193	2,267,577	1,704,616	July 2026
FTA Section 5337 Grant Subtotal			**$ 7,246,955**	**$ 5,537,538**	**$ 1,709,417**	
FTA Section 5339 - Buses and Bus Facilities Grant Program						
13	2022	CA-2023-123	$ 5,951,471	$ 5,826,512	$ 124,959	September 2025
14	2023	CA-2024-200	6,134,745	0	6,134,745	May 2027
FTA Section 5339 Grant Subtotal			**$ 12,086,216**	**$ 5,826,512**	**$ 6,259,704**	
FTA Formula Grants Total			**$ 273,118,003**	**$ 223,749,466**	**$ 49,368,537**	

Third Quarter Grant Reimbursement Status Report

January through March 2025

Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements						
	FEDERAL FISCAL YEAR	**GRANT NUMBER**	**FEDERAL AMOUNT**	**FEDERAL AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
Discretionary Grants						
FTA Section 5309 - Discretionary Capital Grant Program						
15	2018	CA-2020-281	$ 913,115	$ 190,562	$ 722,553	September 2025
FTA Section 5309 Grant Subtotal			**$ 913,115**	**$ 190,562**	**$ 722,553**	
FTA Section 5309 - Capital Investment Grants - Full Funding Grant Agreement (FFGA)						
16	2019	CA-2019-018	$ 148,955,409	$ 136,619,666	$ 12,335,743	December 2026
FTA Section 5309 FFGA Grant Subtotal			**$ 148,955,409**	**$ 136,619,666**	**$ 12,335,743**	
FTA Discretionary Grants Total			**$ 149,868,524**	**$ 136,810,228**	**$ 13,058,296**	
Total FTA Formula and Discretionary Grant Agreements			**$ 422,986,527**	**$ 360,559,694**	**$ 62,426,833**	

Funding Source Notes

FTA Section 5307 - Federal Transit Administration Urbanized Area Formula Grant Program: Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.

FTA Section 5307 - Federal Funds flexed from the Federal Highway Administration (FHWA): Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.

FTA Section 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities Grant Program: Formula funding to states for the purpose of assisting nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities.

FTA Section 5337 - State of Good Repair Grant Program: A formula-based State of Good Repair program dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy lanes.

FTA Section 5339 - Buses and Bus Facilities Grant Program: A formula-based program dedicated to support capital projects such as the replacement, rehabilitation, and purchase of buses, vans, and related equipment.

FTA Section 5309 - Discretionary Capital Grant Program: Grants provide for projects that improve efficiency and coordination of transportation systems.

FTA Section 5309 - Capital Investment Grants - Full Funding Grant Agreement (FFGA): Grants provide for projects that improve efficiency and coordination of transportation systems.

Third Quarter Grant Reimbursement Status Report

January through March 2025

ATTACHMENT B

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
National Highway Performance Program						
1	2024	Interstate 5, Segment 1, Interstate 405 to Yale Avenue (ROW)	$ 5,420,508	$ 13,168	$ 5,407,340	April 2026
NHPP Subtotal			**$ 5,420,508**	**$ 13,168**	**$ 5,407,340**	
Congestion Mitigation & Air Quality (CMAQ) - Federal Highway Administration CMAQ Grant Program						
2	2023	Countywide Signal Synchronization	$ 15,000,000	$ 815,255	$ 14,184,745	June 2028
CMAQ Subtotal			**$ 15,000,000**	**$ 815,255**	**$ 14,184,745**	
State Transportation Block Grant (STBG) - Federal Highway Administration Grant Program - STBG						
3	2019	Interstate 5, Orange/San Diego County Line to Avenida Pico (PA/ED)	$ 6,407,000	$ 4,764,361	$ 1,642,639	June 2025
4	2019	State Route 55, Interstate 405 to Interstate 5 (ROW)	49,387,088	10,534,931	38,852,157	June 2026
5	2020	Interstate 5 Segment 1, State Route 73 to Oso Parkway (CON)	3,984,000	3,942,500	41,500	June 2025
6	2020	Interstate 5, Yale to State Route 55 (PS&E)	10,900,000	10,476,749	423,251	June 2025
7	2022	State Route 55, Interstate 405 to Interstate 5 (ROW Utility Relocation)	28,833,069	6,337,832	22,495,237	June 2026
8	2022	State Route 55, Interstate 405 to Interstate 5 (ROW)	60,859,718	3,609,749	57,249,969	June 2026
9	2022	State Route 55, Interstate 5 to State Route 91 (PS&E)	2,140,755	1,772,002	368,753	June 2027
10	2023	Interstate 5, Yale to State Route 55 (ROW)	14,646,368	0	14,646,368	June 2025
STBG Subtotal			**$ 177,157,998**	**$ 41,438,124**	**$ 135,719,874**	
Low Carbon Transit Operations Program (LCTOP) - California Department of Transportation (CALTRANS)						
11	2022	Bravo! 553 Operating Assistance	$ 510,000	$ 438,587	$ 71,413	June 2025
12	2022	Youth Ride Free Program	11,882,781	8,570,521	3,312,260	June 2026
13	2023	Garden Grove Hydrogen Fueling Station (CON)	9,664,388	0	9,664,388	February 2027
LCTOP Subtotal			**$ 22,057,169**	**$ 9,009,107**	**$ 13,048,061**	
Highway Infrastructure Program (HIP)						
14	2022	State Route 55, Interstate 5 to State Route 91 (PS&E)	$ 3,359,000	$ 2,780,400	$ 578,600	June 2027
15	2022	State Route 57, Orangewood Avenue to Katella Ave (PS&E)	2,790,000	2,599,953	190,047	June 2025
HIP Subtotal			**$ 6,149,000**	**$ 5,380,353**	**$ 768,647**	
State Transportation Improvement Plan (STIP) Programming, Planning & Monitoring (PPM)						
16	2023	PPM Program	$ 1,848,000	$ 333,966	$ 1,514,034	December 2025
17	2024	PPM Program	515,000	0	515,000	December 2026
STIP PPM Subtotal			**$ 2,363,000**	**$ 333,966**	**$ 2,029,034**	

Third Quarter Grant Reimbursement Status Report

January through March 2025

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
Senate Bill 1 (SB1): State of Good Repair (SGR)						
18	2020	Transit Security Operation Center (CON)	$ 2,560,021	$ 234,234	$ 2,325,787	April 2027
19	2021	Electrical Service for Hydrogen Fueling Station at Santa Ana Bus Base	535,491	482,155	53,336	August 2025
20	2021	Transit Security Operation Center (CON)	2,011,278	0	2,011,278	April 2027
21	2022	Transit Security Operation Center (CON)	6,416,264	0	6,416,264	April 2027
22	2023	Heating-Ventilation Unit Replacements at Santa Ana Bus Base (CON)	1,150,000	0	1,150,000	June 2027
23	2023	Transit Security Operation Center (CON)	5,435,423	0	5,435,423	April 2027
24	2024	Bus Hoist Replacement at Irvine Sand Canyon Bus Base (CON)	395,000	81,809	313,191	June 2025
25	2024	Heating-Ventilation Unit Replacements at Santa Ana Bus Base (CON)	1,190,000	0	1,190,000	June 2027
26	2024	Installation of battery-electric chargers at Santa Ana Base (CON)	1,500,000	0	1,500,000	July 2026
27	2024	Painting and Coating at Laguna Hills Transportation Center (CON)	535,000	331,669	203,331	December 2025
28	2024	San Clemente Track Protection Mile Post 204.6 (CON)	2,500,000	1,045,189	1,454,811	December 2026
29	2025	Heating-Ventilation Unit Replacements at Santa Ana Bus Base (CON)	505,519	0	505,519	June 2027
30	2025	San Juan Creek Bridge Replacement Mile Post 197.9 (CON)	5,578,000	0	5,578,000	February 2027
31	2025	Security Gates (CON)	1,466,311	862,729	603,582	January 2026
SB1 SGR Subtotal			**$ 31,778,307**	**$ 3,037,785**	**$ 28,740,523**	
Total State and Federal Highway Administration Formula Grant Agreements			**$ 259,925,982**	**$ 60,027,758**	**$ 199,898,224**	

Project Phases:

CON- Construction, Construction Management, Construction Engineering or Force Account expenses.

PA/ED- Project Approval and Environmental Design.

PS&E- Agency Preliminary Engineering.

PSR- Development Support and Project Study Report.

ROW- Right-of-Way Services, Engineering, Administration, Acquisition, Utility Relocation or Relocation Assistance.

ATTACHMENT C

Third Quarter Grant Reimbursement Status Report

January through March 2025

State Discretionary Grant Agreements						
	FISCAL YEAR	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
Equitable Community Revitalization Grant (ECRG)						
1	2025	OC Connect Garden Grove - Santa Ana Rails to Trails	$ 350,000	$ 818	$ 349,182	September 2026
ECRG Subtotal			**$ 350,000**	**$ 818**	**$ 349,182**	
Active Transportation Program (ATP)						
2	2021	Rails to Trails	$ 3,000,000	$ 1,787,248	$ 1,212,752	June 2026
ATP Subtotal			**$ 3,000,000**	**$ 1,787,248**	**$ 1,212,752**	
Transit and Intercity Rail Capital Program (TIRCP)						
3	2021	Irvine Station (PA/ED)	$ 5,500,000	$ 1,013,448	$ 4,486,552	February 2026
TIRCP Subtotal			**$ 5,500,000**	**$ 1,013,448**	**$ 4,486,552**	
Transit Security Grant Program (TSGP) - State Office of Homeland Security						
4	2025	Visible Intermodal Prevention & Response and Counter Terrorism Team Operations	$ 116,600	$ 0	$ 116,600	August 2027
TSGP Subtotal			**$ 116,600**	**$ 0**	**$ 116,600**	
Senate Bill 1 (SB1): Local Partnership Program (LPP)						
5	2023	Interstate 5, Segment 1, Interstate 405 to Yale Avenue (PS&E)	$ 7,395,000	$ 5,435,673	$ 1,959,327	June 2025
6	2023	Interstate 5, Segment 1, Interstate 405 to Yale Avenue (ROW)	3,979,000	11,022	3,967,978	June 2025
SB1 LPP Subtotal			**$ 11,374,000**	**$ 5,446,695**	**$ 5,927,305**	
SB 1: Solutions for Congested Corridors Program (SCCP)						
7	2019	Edinger Avenue Signal Synchronization (CON)	$ 4,957,000	$ 1,463,562	$ 3,493,438	March 2026
8	2020	Bravo! Main Street Rapid Bus Purchase (CON)	4,331,000	4,330,400	600	June 2025
9	2020	MacArthur Avenue Signal Synchronization (CON)	2,951,200	1,292,397	1,658,803	April 2026
10	2020	Warner Avenue Signal Synchronization (CON)	4,092,000	3,119,901	972,099	July 2026
11	2021	Bus Stop Improvements - Main St. (CON)	230,000	130,628	99,372	December 2026
SB1 SCCP Subtotal			**$ 16,561,200**	**$ 10,336,888**	**$ 6,224,312**	
SB 1: Planning Grants (PL)						
12	2023	Transportation Demand Management Plan	$ 150,000	$ 89,670	$ 60,330	June 2025
13	2025	Zero-Emission Bus Transition Plan	200,000	0	200,000	August 2027
SB1 PL Subtotal			**$ 350,000**	**$ 89,670**	**$ 260,330**	
Regional Early Action Planning (REAP)						
14	2023	Bikeway Connectivity Study (PSR)	$ 499,622	$ 42,905	$ 456,717	November 2025
15	2023	First Street Traffic Signal Prioritization and Bike Study	4,300,000	0	4,300,000	November 2025
16	2023	Fullerton Park and Ride Transit Oriented Development Site Design Concepts (PSR)	474,575	178,609	295,966	November 2025

Third Quarter Grant Reimbursement Status Report

January through March 2025

State Discretionary Grant Agreements						
	FISCAL YEAR	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**	**ANTICIPATED CLOSE-OUT**
17	2023	Harbor Boulevard Connected Bus Corridor (Stage II)	2,376,745	0	2,376,745	November 2025
18	2023	Marketing Outreach Support (PSR)	399,058	44,816	354,242	November 2025
19	2023	McFadden Avenue Traffic Signal Prioritization Implementation	3,690,000	0	3,690,000	November 2025
20	2023	Next Safe Travels Education Program (STEP) 2.0	1,250,000	126,000	1,124,000	November 2025
21	2023	Orange County Mobility Hubs Pilot Concept of Operations	300,000	0	300,000	November 2025
REAP Subtotal			**$ 13,290,000**	**$ 392,330**	**$ 12,897,670**	
Strengthening Mobility and Revolutionizing Transportation (SMART)						
22	2022	Harbor Boulevard Pilot Traffic Signal Prioritization	$ 1,600,000	$ 281,727	$ 1,318,273	September 2025
SMART Subtotal			**$ 1,600,000**	**$ 281,727**	**$ 1,318,273**	
State Highway Operation and Protection Program (SHOPP)						
23	2018	State Route 55, Interstate 405 to Interstate 5 (ROW Utility Relocation)	$ 6,304,461	$ 1,109,241	$ 5,195,220	June 2025
24	2018	State Route 55, Interstate 405 to Interstate 5 (ROW)	16,395,539	14,002,034	2,393,505	June 2025
SHOPP Subtotal			**$ 22,700,000**	**$ 15,111,275**	**$ 7,588,725**	
Total State Discretionary Grant Agreements			**$ 74,841,800**	**$ 34,460,100**	**$ 40,381,700**	

Project Phases:

CON- Construction, Construction Management, Construction Engineering or Force Account expenses.

PA/ED- Project Approval and Environmental Design.

PS&E- Agency Preliminary Engineering.

PSR- Development Support and Project Study Report.

ROW- Right-of-Way Services, Engineering, Administration, Acquisition, Utility Relocation or Relocation Assistance.

ATTACHMENT D

Third Quarter Grant Reimbursement Status Report

January through March 2025

Closed Grant Agreements						
	FISCAL YEAR (FY)	**FUNDING SOURCE**	**PROJECT**	**GRANT AMOUNT**	**AMOUNT REIMBURSED**	**REMAINING BALANCE**
1	2023	FTA Section 5307	FTA CA-2024-094	$ 68,943,055	$ 68,943,055	$ 0
2	2021	LCTOP	College Fare Program for Orange Coast College	206,152	206,152	0
3	2021	LCTOP	Welcome Back Fare Reduction Program	1,219,447	1,219,447	0
4	2024	SB1 SGR	Security Gates (CON)	1,061,463	1,061,463	0
5	2023	TIRCP	OC Streetcar (CON)	149,841,000	149,841,000	0
Total Closed Grants				**$ 221,271,117**	**$ 221,271,117**	**$ 0**

Funding Source Notes

FTA Section 5307 - Federal Transit Administration Urbanized Area Formula Grant Program
Low Carbon Transit Operations Program (LCTOP) - California Department of Transportation (CALTRANS)
Transit and Intercity Rail Capital Program (TIRCP)
Senate Bill 1: State of Good Repair (SB1 SGR)

Project Phases:

CON- Construction, Construction Management, Construction Engineering or Force Account expenses.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Orange County Transportation Authority Investment and Debt Programs Report – March 2025

Finance and Administration Committee Meeting of May 14, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, and Tettemer
Absent: Director Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Receive and file as an information item.

OCTA

May 14, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – March 2025

Overview

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending March 31, 2025. The report has been reviewed and is consistent with the investment practices contained in the investment policy.

Recommendation

Receive and file as an information item.

Discussion

As of March 31, 2025, the Orange County Transportation Authority's (OCTA) outstanding investments totaled $2.9 billion. The portfolio is divided into two portfolios: the liquid portfolio for immediate cash needs and the managed portfolio for future budgeted expenditures. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

Portfolio Compliance and Liquidity Requirements for the Next Six Months: The portfolio is in full compliance with OCTA's Investment Policy and the State of California Government Code. Additionally, OCTA has reviewed the liquidity requirements for the next six months and anticipates that OCTA's liquidity will be sufficient to meet projected expenditures during the next six months.

The weighted average book yield for OCTA's managed portfolio is 4.35 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

OCTA's month-end balance in the Local Agency Investment Fund (LAIF), a pooled investment fund for California local agencies, was $7,199,732, with an average monthly effective yield of 4.31 percent. The LAIF offers local agencies an opportunity to invest funds in a diversified portfolio of high-quality, short-term securities managed by the State Treasurer's Office. OCTA's month-end balance in the Orange County Investment Pool (OCIP), a collective investment fund for local government entities in Orange County was $40,094. For the month of March, the monthly gross yield for the OCIP was 4.12 percent. The OCIP allows local government entities to invest funds in a diversified portfolio managed by the Orange County Treasurer-Tax Collector's Office, aiming for competitive returns while prioritizing safety and liquidity. Mandated by the Transportation Development Act (TDA), OCTA is obliged to participate in the OCIP. It serves as a temporary holding account for TDA funds until claimed by OCTA and then processed by the County of Orange. This framework ensures effective fund management and adherence to regulatory compliance.

During the month of March, one security held within OCTA's investment portfolio was downgraded by Moody's Investors Services. As of March 31, 2025, the security still meets the minimum rating requirements set forth by OCTA's Investment Policy. Please refer to A-4 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and the 2021 Transportation Infrastructure Finance and Innovation Act Loan. The debt program currently has an outstanding principal balance of $1.2 billion as of March 31, 2025. Approximately 44 percent of the outstanding balance is comprised of M2 debt, three percent is associated with the 91 Express Lanes Program, and 53 percent is associated with the 405 Express Lanes.

On March 26, 2025, OCTA issued $228 million of M2 Revenue Refunding Bonds, Series 2025, at an all-in true interest cost of 3.04 percent. Proceeds were used to refund M2 Build America Bonds, Series 2010A bonds, generating $10.5 million in net present value savings (4.3 percent).

Summary

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending March 31, 2025.

Attachments

A. Orange County Transportation Authority Investment and Debt Programs – For the Period Ending March 31, 2025
B. Orange County Transportation Authority Portfolio Listing as of March 31, 2025

Prepared by:



Robert Davis
Department Manager
Treasury/Public Finance
(714) 560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
(714) 560-5649

ATTACHMENT A

Treasury/Public Finance Department's
Report On

Orange County Transportation Authority
Investment and Debt Programs



Presented to the
Finance and Administration Committee

For The Period Ending
March 31, 2025

INVESTMENT PROGRAM

OCTA Investment Dashboard

3/31/2025

Safety of Principal

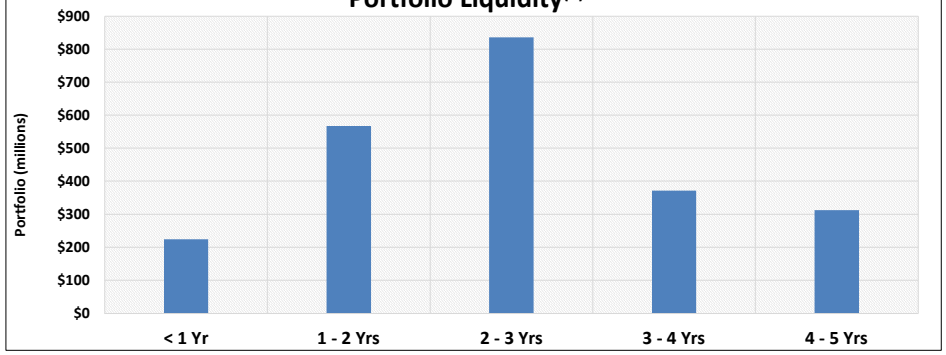
Securities that fell below OCTA's minimum credit quality requirements during the month of March 2025:
N/A

Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:
Two Keybank securities held within OCTA's investment portfolio were downgraded below minimum credit quality requirements for the month of October 2023

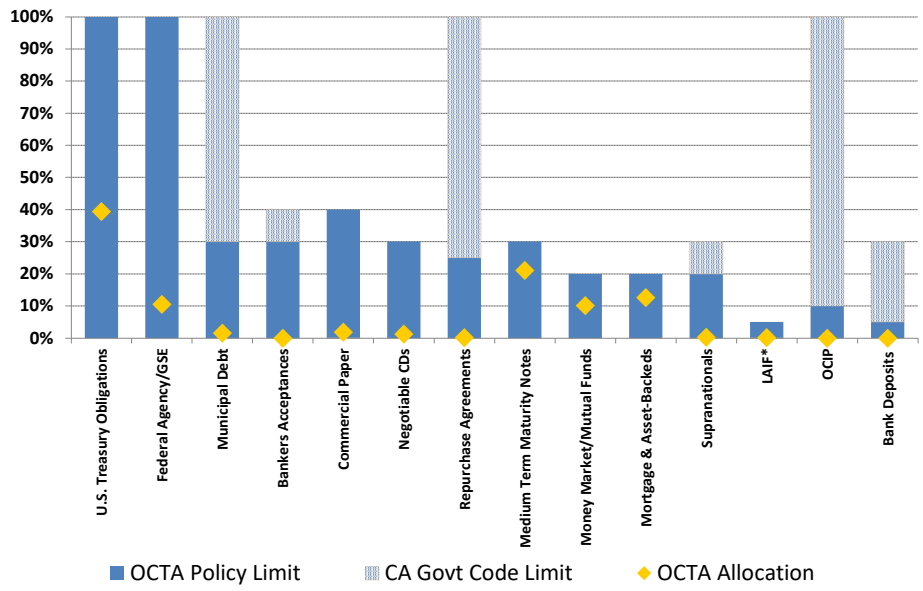
Securities downgraded or placed on Negative Credit Watch during the month of March 2025, but remain in compliance with OCTA's Investment Policy:
One security held within OCTA's investment portfolio was either downgraded or placed on Negative Credit Watch during the month.

For further details please refer to A-4 of this report.

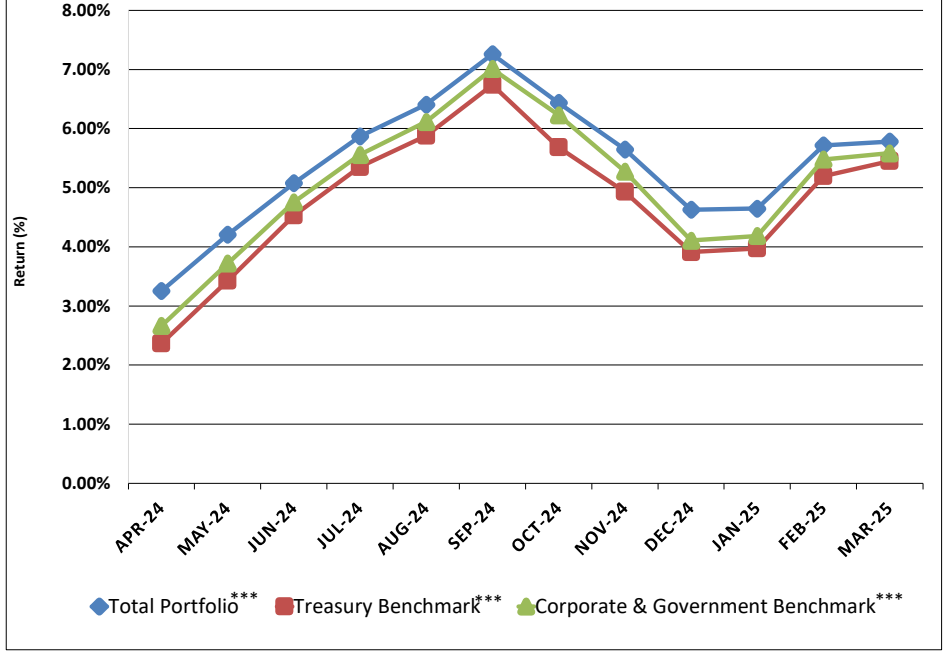
Portfolio Liquidity(1)



Portfolio Diversification **



Total Return - 12 Month(1)



1. Reflects Managed Portfolio.

* Per CA Government Code LAIF limit is $75 million

** Per OCTA's Investment Policy the limit is 30% for variable and floating rate securities. As of March 31, 2025, 7.3% of the portfolio was invested in variable & floating rate securities.

*** Actual portfolio returns represent the aggregate performance of the managed portfolio.
The Treasury Benchmark is the 1-3 Year Treasury Index through September 2024 and transitions to a market value-weighted blend of the 1-3 Year and 1-5 Year Treasury Indices starting October 2024.
The Corporate & Government Benchmark is the 1-3 Year AAA-A U.S. Corporate & Government Index through September 2024 and shifts to a market value-weighted blend of the 1-3 Year and 1-5 Year AAA-A U.S. Corporate & Government Indices beginning October 2024.

Investment Compliance

3/31/2025

Portfolio Subject to Investment Policy				
Managed Portfolio[1]		**Dollar Amount Invested**	**Percent Of Portfolio**	**Maximum Percentages**
U.S. Treasury Obligations	$	1,031,797,833	39.4%	100%
Federal Agency/GSE		277,800,590	10.6%	100%
Municipal Debt	$	43,196,157	1.7%	30%
Commercial Paper		51,426,916	2.0%	40%
Negotiable Certificates of Deposit	$	35,775,000	1.4%	30%
Repurchase Agreements		6,000,000	0.2%	25%
Medium Term Maturity Notes/Corporates	$	554,897,386	21.2%	30%
Money Market/Mutual Funds		267,970,662	10.2%	20%
Mortgage & Asset-Backed	$	331,306,019	12.7%	20%
Supranationals		8,423,771	0.3%	20%
Local Agency Investment Fund	$	7,199,732	0.3%	$ 75 Million
Orange County Investment Pool		40,094	0.0%	10%
Bank Deposits	$	771,078	0.0%	5%
Total Managed Portfolio[2]	**$**	**2,616,605,238**		

1. Excludes portion of Liquid Portfolio subject to Indenture
2. Includes variable & floating rate securities invested in the amount of $191,239,826 (7.3% of total Managed/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

Portfolio Subject to Indenture/Grant Funding Agreement						
		Dollar Amount	**OCTA**		**Indenture/Funding Agreement Requirements**	
Portfolio		**Invested**	**Credit Quality**	**Term**	**Min. Credit Quality**	**Max. Term**
Liquid Portfolio*						
Government Obligations MMKT Fund		152,268,521	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund		7,974,468	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **		81,741,114	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		25,000,000	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		20,806,362	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Bank Deposits **		-	N/A	N/A	N/A	N/A
Total Liquid Portfolio	**$**	**287,790,466**				
Reserve Funds Portfolio						
Government Obligations MMKT Fund	$	5,349,219	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Negotiable Certificates of Deposit		5,000,000	"A-1"/"P-1"/"F1+"	267 days	"A-1"/"P-1"/"F1"	270 days
Negotiable Certificates of Deposit		3,000,000	"A-1"/"P-1"/"F1+"	270 days	"A-1"/"P-1"/"F1"	270 days
Government Obligations MMKT Fund ***		956	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Total Reserve Funds Portfolio	**$**	**13,350,175**				
Total Portfolio Subject to Indenture	**$**	**13,350,175**				
Portfolio Total	**$**	**2,917,745,879**				

* Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)
** Senate Bill (SB) 125 Grant Funding
*** 91 EL Debt Service Fund

Managed Portfolio
Sector Allocation and Performance Overview
3/31/2025

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
Book Value	$ 574,213,557	$ 573,765,493	$ 578,051,212	$ 584,129,739	$ 2,310,160,001
Market Value	$ 584,652,038	$ 585,516,886	$ 586,811,800	$ 591,824,628	$ 2,348,805,352
1-3 Year Portfolio:					
Book Value	$ 378,348,171	$ 382,082,092	$ 407,855,205	$ 388,065,753	$ 1,556,351,222
Market Value	$ 385,413,050	$ 390,956,198	$ 414,671,985	$ 394,414,043	$ 1,585,455,276
1-5 Year Portfolio:					
Book Value	$ 195,865,385	$ 191,683,402	$ 170,196,006	$ 196,063,986	$ 753,808,779
Market Value	$ 199,238,988	$ 194,560,689	$ 172,139,815	$ 197,410,584	$ 763,350,076

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
U.S. Treasury Obligations	39.0%	41.4%	45.3%	52.8%	44.7%
Federal Agency/GSE	25.8%	5.6%	13.3%	3.5%	12.0%
Municipal Debt	0.3%	5.4%	0.2%	1.6%	1.9%
Negotiable Certificates of Deposit	0.0%	0.0%	1.9%	0.0%	0.5%
Medium Term Maturity Notes	22.6%	28.5%	21.1%	24.0%	24.0%
Money Market/Mutual Funds	3.3%	1.2%	1.4%	2.1%	2.0%
Mortg & Asset Backed Sec	7.6%	16.8%	16.9%	16.0%	14.3%
Supranationals	1.5%	0.0%	0.0%	0.0%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
1-3 Year Portfolio:					
U.S. Treasury Obligations	37.9%	40.8%	45.8%	51.0%	44.0%
Federal Agency/GSE	21.3%	5.1%	11.6%	3.9%	10.4%
Municipal Debt	0.0%	5.5%	0.2%	1.7%	1.8%
Negotiable Certificates of Deposit	0.0%	0.0%	1.9%	0.0%	0.5%
Medium Term Maturity Notes	27.5%	28.3%	20.8%	24.5%	25.2%
Money Market/Mutual Funds	2.3%	0.6%	1.7%	2.3%	1.7%
Mortg & Asset Backed Sec	9.7%	18.1%	18.0%	16.7%	15.7%
Supranationals	1.3%	0.0%	0.0%	0.0%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
1-5 Year Portfolio:					
U.S. Treasury Obligations	41.1%	42.7%	43.9%	56.4%	46.1%
Federal Agency/GSE	34.4%	6.6%	17.4%	2.7%	15.3%
Municipal Debt	0.9%	5.3%	0.2%	1.4%	2.0%
Negotiable Certificates of Deposit	0.0%	0.0%	1.7%	0.0%	0.4%
Medium Term Maturity Notes	13.0%	28.8%	21.8%	23.1%	21.6%
Money Market/Mutual Funds	5.1%	2.4%	0.7%	1.8%	2.6%
Mortg & Asset Backed Sec	3.7%	14.3%	14.2%	14.5%	11.6%
Supranationals	1.8%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Portfolio Characteristics	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Weighted Average Life	2.24	2.06	2.12	2.26	2.17	n/a	n/a
Duration	2.06	1.90	1.95	2.07	1.99	1.99	1.98
Monthly Yield (Annualized)	4.15%	4.22%	4.16%	4.19%	4.18%	3.94%	4.13%
1-3 Year Portfolio:							
Weighted Average Life	1.99	1.78	1.88	1.99	1.91	n/a	n/a
Duration	1.86	1.64	1.73	1.82	1.76	1.75	1.74
Monthly Yield (Annualized)	4.17%	4.23%	4.15%	4.20%	4.19%	3.94%	4.12%
1-5 Year Portfolio:							
Weighted Average Life	2.71	2.62	2.69	2.79	2.70	n/a	n/a
Duration	2.47	2.39	2.46	2.56	2.47	2.48	2.48
Monthly Yield (Annualized)	4.12%	4.19%	4.16%	4.17%	4.16%	3.93%	4.15%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Monthly Return ***	0.47%	0.45%	0.45%	0.47%	0.46%	0.49%	0.47%
Three Months Return ***	1.82%	1.75%	1.72%	1.79%	1.77%	1.72%	1.74%
1-3 Year Portfolio:							
Monthly Return ***	0.47%	0.44%	0.44%	0.46%	0.45%	0.47%	0.46%
Three Months Return ***	1.75%	1.64%	1.61%	1.69%	1.67%	1.59%	1.61%
1-5 Year Portfolio:							
Monthly Return ***	0.47%	0.48%	0.49%	0.48%	0.48%	0.53%	0.51%
Three Months Return ***	1.97%	2.00%	2.00%	2.02%	2.00%	2.00%	2.01%

* Represents the ICE/BAML 1-3 Year U.S. Treasury Index for the 1-3 Year Portfolio and the ICE/BAML 1-5 Year U.S. Treasury Index for the 1-5 Year Portfolio. The benchmarks for duration and monthly yield are weighted for the Total Portfolio.

** Represents the ICE/BAML 1-3 Year AAA-A U.S. Corporate & Government Index for the 1-3 Year Portfolio and the ICE/BAML 1-5 Year AAA-A U.S. Corporate & Government Index for the 1-5 Year Portfolio. The benchmarks for duration and monthly yield are weighted for the Total Portfolio.

*** Reflects monthly return and three months only, as the 1-5 year portfolio was launched on October 1, 2024. Additional performance metrics will be reported once sufficient data becomes available.

Rating Downgrades & Negative Credit Watch

3/31/2025

Investment Manager / Security	Par Amount	Maturity	S&P	Moody's	Fitch Ratings
Rating Downgrades:					
MetLife					
VOLKSWAGEN GROUP OF AMERICA FINANCE LLC	$ 6,275,000	8/14/2026	BBB+	Baa1	A-
On March 17, 2025, Volkswagen's unsecured debt and that of its subsidiaries were downgraded by Moody's from A3 to Baa1 with a stable outlook. The downgrade reflects concerns about Volkswagen's ability to navigate significant industry headwinds over the next 12–18 months, including pricing pressure, EV transition challenges, and fierce competition in China. These pressures, combined with declining margins and cash flow, come as the company undertakes a major cost-cutting program to restore profitability. Despite this change, the security remains compliant with the Investment Policy. The investment manager recommends holding the securities, maintaining a positive outlook on credit profile and robust liquidity.					
- Rating below minimum requirements:					
KEYBANK NATIONAL ASSOCIATION	$ 1,675,000	08/08/2025 - 01/26/2026	BBB+	Baa1	BBB+
During October 2023, Moody's and Fitch downgraded Keybank by one notch. The downgrade reflects the agencies' view that a higher-for-longer rate environment is likely to constrain profitability at Keybank more than for other banks of similar size. In addition, Keybank has a lower-than-average capital ratio on a proforma basis when adjusted for unrealized losses on available-for-sale securities. Due to the downgrade by both agencies, the three Keybank securities held within the portfolio fell below the minimum credit quality requirements of the Investment Policy. The Treasurer reviewed the position and recommended the securities be held for the short-term. The Treasurer presented his recommendation to the Chief Executive Officer who concurred. During June 2024, one of three Keybank securities was matured.					
Negative Credit Watch:					
N/A					

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, 2021 TIFIA Loan)

Outstanding Debt[1]
As of 3/31/2025

Orange County Local Transportation Authority (OCLTA-M2)		
2025 M2 Sales Tax Revenue Bonds		
Issued:	$	227,565,000
Outstanding:		227,565,000
Debt Service FY 2025:		-
All in True Interest Cost:		3.04%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AAA
Final Maturity:		2041
2019 M2 Sales Tax Revenue Bonds		
Issued:	$	376,690,000
Outstanding:		301,885,000
Debt Service FY 2025:		33,065,900
All in True Interest Cost:		3.14%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ S&P):		AA+/AAA
Final Maturity:		2041
Sub-total M2 Outstanding Debt	**$**	**529,450,000**
91 Express Lanes		
2023 OCTA 91 Express Lanes Refunding Bonds		
Issued:	$	47,545,000
Outstanding:		41,725,000
Debt Service FY 2025:		8,051,750
All in True Interest Cost:		2.80%
Pledged Revenue Source:		91 Toll Road Revenues
Ratings (Fitch/ Moody's/ S&P):		AA-/Aa3/AA-
Final Maturity:		2030
Sub-total 91 Express Lanes Outstanding Debt	**$**	**41,725,000**
405 Express Lanes		
2021 TIFIA Loan		
Amount Available	$	628,930,000
Outstanding:		637,535,814
Capitalized Interest:		23,824,519
Interest Rate:		1.95%
Pledged Revenue Source:		405 Toll Road Revenues
Ratings (Moody's):		Baa2
Final Maturity:		2058
Sub-total 405 Express Lanes Outstanding Debt	**$**	**637,535,814**
TOTAL OUTSTANDING DEBT:	**$**	**1,208,710,814**

1. Comprises OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and 2021 TIFIA Loan) currently outstanding and irrespective of OCTA's investment program.

ATTACHMENT B

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

LIQUID PORTFOLIO

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CASH EQUIVALENTS					
BANK DEPOSITS	N/A	N/A	771,078	771,078	0.00
FEDERATED MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	92,620,254	92,620,254	4.20
BMO HARRIS BANK NCD	3/21/2025	10/20/2025	25,000,000	25,000,000	4.39
BARCLAYS COMMERCIAL PAPER	3/19/2025	8/22/2025	25,414,030	25,410,887	4.33
BARCLAYS COMMERCIAL PAPER	1/7/2025	7/7/2025	26,012,886	26,221,775	4.39
MONEY MARKET DEMAND ACCOUNT	N/A	N/A	416	416	3.06
FIDELITY TREASURY OBLIGATIONS FUND	N/A	N/A	152,268,521	152,268,521	4.24
FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	N/A	40,000,000	40,000,000	4.25
DREYFUS MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	65,859,284	65,859,284	4.22
INVESCO MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	48,527,463	48,527,463	4.27
RBC US MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	81,741,114	81,741,114	4.26
FIDELITY TREASURY OBLIGATIONS FUND	N/A	N/A	20,806,362	20,806,362	4.22
FEDERATED TREASURY OBLIGATIONS FUND	N/A	N/A	7,974,468	7,974,468	4.22
SUB-TOTAL			***586,995,878***	***587,201,624***	
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	N/A	**7,199,732**	**7,199,732**	4.31
ORANGE COUNTY INVESTMENT POOL (OCIP)	N/A	N/A	**40,094**	**40,094**	4.12
LIQUID PORTFOLIO - TOTAL			**$ 594,235,704**	**$ 594,441,449**	

MANAGED PORTFOLIO

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
MONEY MARKET FUNDS					
FIRST AMER:GVT OBLG Z	3/30/2025	3/31/2025	45,963,245	45,963,245	4.23
SUB-TOTAL			***45,963,245***	***45,963,245***	
REPURCHASE AGREEMENT					
METLIFE CREDIT AG REPO	3/31/2025	4/1/2025	6,000,000	6,000,000	4.34
SUB-TOTAL			***6,000,000***	***6,000,000***	
NEGOTIABLE CERTIFICATES OF DEPOSIT					
COOPERATIEVE RABOBANK U.A., NEW YORK BRANCH	7/20/2023	7/17/2026	3,450,000	3,506,822	3.78
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK	2/5/2024	2/1/2027	3,750,000	3,771,525	4.42
NATIXIS, NEW YORK BRANCH	9/20/2023	9/18/2026	3,575,000	3,648,002	3.81
SUB-TOTAL			***10,775,000***	***10,926,348***	
U.S. TREASURY OBLIGATIONS					
UNITED STATES TREASURY	8/11/2021	4/30/2025	7,440,527	7,476,450	4.17
UNITED STATES TREASURY	10/15/2021	5/31/2025	7,357,324	7,449,825	4.27
UNITED STATES TREASURY	11/22/2021	6/30/2025	6,811,055	6,930,210	4.26
UNITED STATES TREASURY	1/6/2022	7/31/2025	7,729,375	7,892,720	4.29
UNITED STATES TREASURY	3/23/2022	7/31/2025	6,979,688	7,399,425	4.29
UNITED STATES TREASURY	4/29/2022	9/30/2025	2,161,338	2,137,165	4.22
UNITED STATES TREASURY	5/6/2022	9/30/2025	7,002,734	6,958,210	4.22
UNITED STATES TREASURY	6/3/2022	10/31/2025	8,032,813	7,945,280	4.20
UNITED STATES TREASURY	6/10/2022	11/15/2025	6,818,164	6,919,360	4.14
UNITED STATES TREASURY	8/19/2022	11/15/2025	7,750,938	7,907,840	4.14
UNITED STATES TREASURY	9/19/2022	6/30/2027	294,035	295,968	3.88
UNITED STATES TREASURY	10/6/2022	6/30/2027	4,354,629	4,439,520	3.88
UNITED STATES TREASURY	10/24/2022	3/31/2027	4,150,547	4,380,480	3.89
UNITED STATES TREASURY	12/1/2022	4/30/2027	8,049,434	8,305,775	3.90
UNITED STATES TREASURY	12/21/2022	6/30/2027	2,925,820	2,959,680	3.88
UNITED STATES TREASURY	1/10/2023	2/28/2026	223,301	241,980	4.11
UNITED STATES TREASURY	1/12/2023	2/15/2027	8,006,270	8,245,340	3.92
UNITED STATES TREASURY	2/10/2023	8/31/2027	7,737,813	7,858,160	3.90
UNITED STATES TREASURY	2/10/2023	2/28/2026	4,758,199	5,129,976	4.11
UNITED STATES TREASURY	5/17/2023	11/15/2027	3,778,750	3,837,200	3.90
UNITED STATES TREASURY	5/17/2023	7/31/2027	3,865,469	3,898,600	3.89
UNITED STATES TREASURY	6/9/2023	9/30/2027	6,517,012	6,537,830	3.88
UNITED STATES TREASURY	7/5/2023	12/31/2026	7,083,689	7,526,030	3.93
UNITED STATES TREASURY	8/1/2023	7/15/2026	1,334,009	1,343,037	4.02
UNITED STATES TREASURY	8/4/2023	7/15/2026	823,066	830,189	3.99
UNITED STATES TREASURY	9/1/2023	8/15/2026	9,853,594	9,951,480	3.98
UNITED STATES TREASURY	9/6/2023	8/31/2028	220,060	223,223	3.91
UNITED STATES TREASURY	9/11/2023	8/15/2026	1,980,625	2,010,400	3.98
UNITED STATES TREASURY	9/12/2023	8/15/2026	6,441,855	6,533,800	3.98
UNITED STATES TREASURY	9/15/2023	8/15/2026	5,448,223	5,528,600	3.98
UNITED STATES TREASURY	9/19/2023	12/31/2026	4,933,887	5,252,940	3.93
UNITED STATES TREASURY	9/22/2023	8/15/2026	543,641	552,860	3.98
UNITED STATES TREASURY	9/22/2023	2/28/2026	9,425,801	10,163,160	4.11
UNITED STATES TREASURY	10/2/2023	9/30/2028	6,785,827	6,937,838	3.91
UNITED STATES TREASURY	10/5/2023	9/15/2026	4,467,129	4,542,210	3.96
UNITED STATES TREASURY	10/17/2023	9/30/2028	1,444,279	1,483,756	3.91
UNITED STATES TREASURY	11/1/2023	9/30/2028	6,762,269	6,978,770	3.91
UNITED STATES TREASURY	11/1/2023	10/15/2026	4,367,688	4,443,648	3.95
UNITED STATES TREASURY	11/10/2023	10/15/2026	3,988,750	4,039,680	3.95
UNITED STATES TREASURY	11/14/2023	10/15/2026	4,974,609	5,049,600	3.95
UNITED STATES TREASURY	11/15/2023	11/15/2026	4,969,531	5,051,950	3.96
UNITED STATES TREASURY	12/1/2023	11/30/2028	6,415,842	6,494,442	3.91
UNITED STATES TREASURY	12/11/2023	11/15/2026	8,039,174	8,057,860	3.96
UNITED STATES TREASURY	12/12/2023	11/15/2026	2,808,859	2,829,092	3.96
UNITED STATES TREASURY	12/15/2023	11/15/2026	4,775,420	4,799,353	3.96
UNITED STATES TREASURY	1/2/2024	12/15/2026	10,465,219	10,432,831	3.94

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	1/5/2024	12/15/2026	9,561,602	9,566,785	3.94
UNITED STATES TREASURY	1/9/2024	12/15/2026	5,036,328	5,035,150	3.94
UNITED STATES TREASURY	1/11/2024	6/30/2027	6,514,965	6,609,952	3.88
UNITED STATES TREASURY	1/19/2024	1/15/2027	2,863,657	2,878,048	3.94
UNITED STATES TREASURY	1/22/2024	12/31/2026	8,739,629	9,073,260	3.93
UNITED STATES TREASURY	1/22/2024	12/31/2026	2,617,289	2,716,975	3.93
UNITED STATES TREASURY	2/1/2024	1/15/2027	10,395,058	10,406,019	3.94
UNITED STATES TREASURY	2/8/2024	8/31/2026	15,161,405	15,828,070	3.97
UNITED STATES TREASURY	2/15/2024	8/31/2026	13,678,711	14,341,350	3.97
UNITED STATES TREASURY	2/16/2024	2/15/2027	3,219,785	3,261,668	3.92
UNITED STATES TREASURY	2/20/2024	2/15/2027	1,877,679	1,901,803	3.92
UNITED STATES TREASURY	3/1/2024	2/15/2027	16,567,753	16,769,989	3.92
UNITED STATES TREASURY	3/12/2024	2/15/2027	7,964,063	8,028,720	3.92
UNITED STATES TREASURY	3/15/2024	11/15/2028	4,757,617	4,867,950	3.91
UNITED STATES TREASURY	3/15/2024	12/31/2026	7,786,465	8,117,500	3.93
UNITED STATES TREASURY	4/1/2024	2/28/2029	936,753	945,958	3.92
UNITED STATES TREASURY	4/1/2024	3/15/2027	761,773	769,812	3.91
UNITED STATES TREASURY	4/5/2024	3/15/2027	4,889,986	4,955,978	3.91
UNITED STATES TREASURY	4/8/2024	3/15/2027	4,219,287	4,276,733	3.91
UNITED STATES TREASURY	4/15/2024	4/15/2027	4,096,797	4,147,232	3.91
UNITED STATES TREASURY	4/19/2024	8/15/2028	9,283,594	9,677,300	3.90
UNITED STATES TREASURY	5/1/2024	4/15/2027	618,604	632,200	3.91
UNITED STATES TREASURY	5/13/2024	4/15/2027	4,106,953	4,172,520	3.91
UNITED STATES TREASURY	5/20/2024	6/30/2027	4,073,523	4,172,498	3.89
UNITED STATES TREASURY	5/20/2024	8/31/2026	1,130,218	1,180,583	3.98
UNITED STATES TREASURY	5/28/2024	5/15/2027	1,739,609	1,770,790	3.91
UNITED STATES TREASURY	6/3/2024	5/31/2029	999,180	1,021,680	3.93
UNITED STATES TREASURY	6/3/2024	5/15/2027	13,039,841	13,265,747	3.91
UNITED STATES TREASURY	6/11/2024	5/15/2027	6,942,813	7,032,566	3.91
UNITED STATES TREASURY	6/12/2024	5/15/2027	1,993,047	2,023,760	3.91
UNITED STATES TREASURY	6/17/2024	5/15/2027	4,437,311	4,502,866	3.91
UNITED STATES TREASURY	7/1/2024	6/15/2027	3,756,849	3,802,486	3.89
UNITED STATES TREASURY	7/2/2024	10/31/2027	5,342,742	5,594,844	3.90
UNITED STATES TREASURY	7/3/2024	3/31/2027	7,438,488	7,641,504	3.89
UNITED STATES TREASURY	7/3/2024	3/31/2027	6,467,221	6,642,645	3.90
UNITED STATES TREASURY	7/5/2024	5/15/2027	10,468,418	10,624,740	3.91
UNITED STATES TREASURY	8/1/2024	7/15/2027	15,348,419	15,377,527	3.90
UNITED STATES TREASURY	8/5/2024	7/15/2027	4,981,561	4,975,974	3.90
UNITED STATES TREASURY	8/5/2024	7/31/2026	5,674,719	5,678,250	3.98
UNITED STATES TREASURY	8/12/2024	7/15/2027	7,336,722	7,314,934	3.90
UNITED STATES TREASURY	8/16/2024	7/31/2029	2,018,750	2,005,240	3.93
UNITED STATES TREASURY	8/16/2024	6/30/2029	3,190,311	3,188,008	3.93
UNITED STATES TREASURY	8/16/2024	12/31/2028	11,160,625	11,135,250	3.92
UNITED STATES TREASURY	8/16/2024	8/15/2028	1,928,359	1,935,460	3.90
UNITED STATES TREASURY	8/16/2024	5/31/2028	4,115,146	4,115,633	3.90
UNITED STATES TREASURY	8/16/2024	2/29/2028	2,008,984	2,005,860	3.89
UNITED STATES TREASURY	8/16/2024	10/31/2027	2,560,436	2,613,984	3.90
UNITED STATES TREASURY	8/21/2024	12/31/2026	9,320,309	9,455,292	3.93
UNITED STATES TREASURY	8/21/2024	7/31/2026	2,263,184	2,261,250	3.98
UNITED STATES TREASURY	9/3/2024	4/30/2029	2,893,008	2,882,220	3.93
UNITED STATES TREASURY	9/3/2024	5/31/2028	2,989,102	2,975,400	3.90
UNITED STATES TREASURY	9/3/2024	8/15/2027	8,781,178	8,755,834	3.90
UNITED STATES TREASURY	9/10/2024	8/15/2027	11,546,270	11,461,820	3.90
UNITED STATES TREASURY	9/12/2024	8/31/2026	3,878,466	3,858,197	3.97
UNITED STATES TREASURY	9/26/2024	5/31/2029	4,828,516	4,775,600	3.93
UNITED STATES TREASURY	9/27/2024	6/30/2029	3,771,809	3,723,408	3.93
UNITED STATES TREASURY	9/27/2024	11/15/2027	4,817,578	4,796,500	3.90
UNITED STATES TREASURY	9/27/2024	9/15/2027	1,421,382	1,408,085	3.89
UNITED STATES TREASURY	9/30/2024	9/30/2029	6,637,271	6,529,236	3.94
UNITED STATES TREASURY	9/30/2024	2/15/2028	7,320,703	7,270,350	3.88
UNITED STATES TREASURY	9/30/2024	9/15/2027	3,087,285	3,063,203	3.89
UNITED STATES TREASURY	10/1/2024	9/30/2029	34,159,484	33,657,475	3.94
UNITED STATES TREASURY	10/1/2024	9/15/2027	23,411,266	23,260,580	3.89
UNITED STATES TREASURY	10/3/2024	12/31/2028	2,316,262	2,286,703	3.92
UNITED STATES TREASURY	10/3/2024	10/31/2027	3,645,000	3,668,750	3.90
UNITED STATES TREASURY	10/3/2024	3/31/2027	18,519,805	18,495,360	3.89
UNITED STATES TREASURY	10/4/2024	1/31/2029	3,298,750	3,258,873	3.92
UNITED STATES TREASURY	10/4/2024	11/15/2028	2,065,219	2,044,539	3.91
UNITED STATES TREASURY	10/4/2024	9/15/2027	14,431,348	14,327,885	3.89
UNITED STATES TREASURY	10/7/2024	5/31/2029	2,862,422	2,865,360	3.93
UNITED STATES TREASURY	10/7/2024	3/31/2027	5,125,170	5,149,498	3.89
UNITED STATES TREASURY	10/8/2024	10/31/2027	902,305	917,188	3.90
UNITED STATES TREASURY	10/8/2024	6/30/2027	6,635,830	6,659,280	3.88
UNITED STATES TREASURY	10/8/2024	6/30/2027	3,932,344	3,945,625	3.89
UNITED STATES TREASURY	10/9/2024	8/31/2028	1,883,025	1,877,103	3.91
UNITED STATES TREASURY	10/9/2024	3/31/2027	4,836,914	4,866,406	3.90
UNITED STATES TREASURY	10/22/2024	11/15/2028	2,333,063	2,336,616	3.91
UNITED STATES TREASURY	10/25/2024	7/31/2028	3,513,809	3,524,745	3.90
UNITED STATES TREASURY	10/29/2024	1/31/2029	2,238,750	2,256,143	3.92
UNITED STATES TREASURY	10/29/2024	10/15/2027	1,987,813	1,998,980	3.90
UNITED STATES TREASURY	10/31/2024	7/31/2029	8,956,406	9,023,580	3.93
UNITED STATES TREASURY	11/1/2024	10/15/2027	28,308,905	28,485,465	3.90
UNITED STATES TREASURY	11/4/2024	2/15/2029	1,878,281	1,907,820	3.92
UNITED STATES TREASURY	11/4/2024	10/15/2027	3,820,674	3,848,037	3.90
UNITED STATES TREASURY	11/5/2024	6/30/2027	1,887,637	1,904,061	3.88
UNITED STATES TREASURY	11/7/2024	10/31/2027	3,673,023	3,761,258	3.89
UNITED STATES TREASURY	11/7/2024	10/31/2027	1,612,547	1,650,938	3.90

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	11/7/2024	10/15/2027	1,982,500	1,998,980	3.90
UNITED STATES TREASURY	11/12/2024	10/31/2029	2,493,262	2,518,350	3.95
UNITED STATES TREASURY	11/12/2024	12/31/2027	3,963,125	3,999,080	3.88
UNITED STATES TREASURY	11/15/2024	1/31/2028	7,317,480	7,421,475	3.89
UNITED STATES TREASURY	11/22/2024	10/31/2026	3,844,168	3,869,650	3.96
UNITED STATES TREASURY	11/26/2024	11/15/2027	696,227	704,018	3.89
UNITED STATES TREASURY	11/26/2024	10/31/2026	696,746	701,750	3.96
UNITED STATES TREASURY	11/27/2024	1/31/2029	7,929,375	8,021,840	3.92
UNITED STATES TREASURY	11/27/2024	7/31/2028	3,983,750	4,028,280	3.90
UNITED STATES TREASURY	12/2/2024	11/30/2029	10,892,504	10,954,025	3.94
UNITED STATES TREASURY	12/2/2024	11/15/2027	6,205,491	6,240,617	3.89
UNITED STATES TREASURY	12/6/2024	11/15/2027	3,820,368	3,846,956	3.89
UNITED STATES TREASURY	12/9/2024	11/30/2029	1,946,593	1,954,996	3.94
UNITED STATES TREASURY	12/10/2024	11/30/2029	4,009,844	4,030,920	3.94
UNITED STATES TREASURY	12/10/2024	11/15/2027	3,827,689	3,846,956	3.89
UNITED STATES TREASURY	12/16/2024	2/28/2029	7,999,063	8,093,760	3.92
UNITED STATES TREASURY	12/16/2024	11/15/2027	3,825,149	3,846,956	3.89
UNITED STATES TREASURY	12/17/2024	12/15/2027	2,981,016	3,008,790	3.88
UNITED STATES TREASURY	12/18/2024	11/30/2027	3,839,429	3,873,334	3.89
UNITED STATES TREASURY	12/20/2024	6/30/2028	7,409,473	7,525,200	3.89
UNITED STATES TREASURY	12/24/2024	10/31/2027	6,102,734	6,238,184	3.89
UNITED STATES TREASURY	12/24/2024	6/30/2027	7,308,398	7,399,200	3.88
UNITED STATES TREASURY	1/2/2025	12/31/2029	5,486,569	5,589,698	3.95
UNITED STATES TREASURY	1/2/2025	12/15/2027	15,366,534	15,530,371	3.88
UNITED STATES TREASURY	1/9/2025	12/31/2029	995,586	1,018,160	3.95
UNITED STATES TREASURY	1/13/2025	12/31/2029	2,483,594	2,545,400	3.95
UNITED STATES TREASURY	1/13/2025	6/30/2029	2,182,754	2,238,906	3.93
UNITED STATES TREASURY	1/13/2025	5/31/2028	7,629,050	7,765,794	3.90
UNITED STATES TREASURY	1/15/2025	1/15/2028	3,840,525	3,886,113	3.89
UNITED STATES TREASURY	2/3/2025	1/15/2028	7,258,298	7,328,099	3.89
UNITED STATES TREASURY	2/6/2025	2/28/2029	996,641	1,011,720	3.92
UNITED STATES TREASURY	2/6/2025	1/15/2028	3,848,346	3,886,113	3.89
UNITED STATES TREASURY	2/10/2025	2/28/2029	997,031	1,011,720	3.92
UNITED STATES TREASURY	2/10/2025	1/15/2028	1,747,881	1,766,415	3.89
UNITED STATES TREASURY	2/10/2025	10/15/2027	677,775	684,651	3.90
UNITED STATES TREASURY	2/10/2025	6/15/2027	1,914,473	1,929,165	3.89
UNITED STATES TREASURY	2/13/2025	6/30/2029	1,927,395	1,971,211	3.93
UNITED STATES TREASURY	2/13/2025	10/31/2027	4,621,126	4,701,573	3.89
UNITED STATES TREASURY	2/13/2025	10/15/2027	7,403,613	7,496,175	3.90
UNITED STATES TREASURY	2/18/2025	1/31/2027	1,845,736	1,856,290	3.93
UNITED STATES TREASURY	2/18/2025	6/15/2026	723,811	725,906	4.01
UNITED STATES TREASURY	3/31/2025	3/31/2027	8,977,852	8,996,850	3.89
UNITED STATES TREASURY	3/27/2025	2/28/2030	996,172	1,002,270	3.95
UNITED STATES TREASURY	3/27/2025	12/31/2028	2,472,860	2,485,547	3.92
UNITED STATES TREASURY	3/27/2025	5/31/2028	3,951,576	3,967,200	3.90
UNITED STATES TREASURY	3/27/2025	5/31/2028	790,378	793,375	3.90
UNITED STATES TREASURY	3/27/2025	3/15/2028	2,989,453	2,999,520	3.88
UNITED STATES TREASURY	3/27/2025	2/29/2028	3,997,656	4,011,720	3.89
UNITED STATES TREASURY	3/26/2025	3/15/2028	20,439,141	20,496,720	3.88
UNITED STATES TREASURY	3/26/2025	10/31/2027	2,698,453	2,705,703	3.90
UNITED STATES TREASURY	3/26/2025	6/30/2027	1,575,193	1,578,250	3.89
UNITED STATES TREASURY	3/26/2025	3/31/2027	2,137,359	2,141,219	3.90
UNITED STATES TREASURY	3/26/2025	2/28/2027	3,937,676	3,944,895	3.92
UNITED STATES TREASURY	3/26/2025	12/31/2026	2,001,816	2,005,500	3.93
UNITED STATES TREASURY	3/26/2025	8/31/2026	286,349	286,781	3.98
UNITED STATES TREASURY	3/12/2025	2/28/2030	1,494,668	1,503,405	3.95
UNITED STATES TREASURY	3/7/2025	7/31/2028	7,519,629	7,553,025	3.90
UNITED STATES TREASURY	3/25/2025	2/28/2030	746,953	751,703	3.95
UNITED STATES TREASURY	3/25/2025	3/15/2028	2,988,047	2,999,520	3.88
UNITED STATES TREASURY	3/3/2025	2/28/2030	3,532,238	3,543,024	3.95
UNITED STATES TREASURY	3/3/2025	2/15/2028	5,703,334	5,715,694	3.88
UNITED STATES TREASURY	3/6/2025	2/15/2028	840,480	843,216	3.88
SUB-TOTAL			***1,031,797,833***	***1,043,394,133***	
FEDERAL AGENCY/GSE					
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	8/14/2026	8,767,160	8,858,520	3.99
FEDERAL FARM CREDIT BANKS FUNDING CORP	9/11/2023	9/1/2026	3,994,800	4,039,960	4.02
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/1/2023	7/30/2026	3,995,640	4,050,560	4.01
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2023	11/15/2027	4,973,700	5,081,900	3.96
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/11/2023	10/4/2027	4,012,000	4,051,360	3.96
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/13/2023	12/7/2026	7,968,800	8,048,320	4.00
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/15/2024	4/10/2029	4,942,000	5,077,500	3.95
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/30/2024	4/30/2029	2,396,400	2,398,848	5.64
FEDERAL FARM CREDIT BANKS FUNDING CORP	5/30/2024	5/8/2026	7,957,920	8,058,320	4.06
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/23/2024	8/16/2027	4,984,050	4,976,800	3.96
FEDERAL FARM CREDIT BANKS FUNDING CORP	9/19/2024	9/10/2029	3,110,585	3,045,629	4.05
FEDERAL HOME LOAN BANKS	2/1/2023	12/10/2027	5,105,600	5,042,950	3.91
FEDERAL HOME LOAN BANKS	3/24/2023	3/10/2028	5,108,250	5,081,000	3.91
FEDERAL HOME LOAN BANKS	6/15/2023	3/25/2027	4,830,700	5,024,278	4.04
FEDERAL HOME LOAN BANKS	6/26/2023	8/26/2026	1,783,600	1,913,856	4.09
FEDERAL HOME LOAN BANKS	6/30/2023	6/9/2028	1,996,120	2,005,000	3.91
FEDERAL HOME LOAN BANKS	7/21/2023	6/30/2028	3,965,360	4,007,480	3.94
FEDERAL HOME LOAN BANKS	9/8/2023	9/8/2028	3,979,600	4,059,360	3.91
FEDERAL HOME LOAN BANKS	10/2/2023	9/11/2026	6,931,120	7,061,390	3.99
FEDERAL HOME LOAN BANKS	1/23/2024	11/17/2026	5,056,950	5,049,050	3.99
FEDERAL HOME LOAN BANKS	3/27/2025	3/10/2028	4,050,320	4,064,800	3.91

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
FEDERAL NATIONAL MORTGAGE ASSOCIATION	12/6/2021	8/25/2025	7,771,280	7,877,040	4.28
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/27/2023	7/24/2026	5,226,860	5,301,166	4.12
FHMS K-051 A2	5/19/2022	9/25/2025	3,801,092	3,746,954	4.38
FHMS K-051 A2	8/10/2022	9/25/2025	1,895,586	1,896,896	4.38
FHMS K-053 A2	8/9/2022	12/25/2025	3,200,068	3,203,284	4.38
FHMS K-054 A2	2/21/2023	1/25/2026	4,469,944	4,643,454	4.33
FHMS K-054 A2	3/6/2023	1/25/2026	1,440,720	1,509,123	4.33
FHMS K-054 A2	5/15/2023	1/25/2026	4,448,661	4,550,585	4.33
FHMS K-057 A2	3/7/2023	7/25/2026	1,766,852	1,861,639	4.22
FHMS K-057 A2	5/23/2023	7/25/2026	2,258,291	2,327,049	4.22
FHMS K-058 A2	4/17/2023	8/25/2026	2,290,781	2,346,000	4.25
FHMS K-059 A2	11/20/2023	9/25/2026	3,078,232	3,195,888	4.24
FHMS K-061 A2	5/24/2023	11/25/2026	1,615,152	1,638,018	4.37
FHMS K-062 A2	7/28/2022	12/25/2026	492,458	483,645	4.23
FHMS K-062 A2	11/13/2023	12/25/2026	1,904,297	1,970,040	4.23
FHMS K-062 A2	8/30/2024	12/25/2026	1,178,766	1,181,863	4.24
FHMS K-063 A2	7/29/2022	1/25/2027	4,743,179	4,645,690	4.23
FHMS K-063 A2	12/9/2022	1/25/2027	3,872,656	3,941,200	4.23
FHMS K-063 A2	10/20/2023	1/25/2027	1,720,633	1,798,173	4.23
FHMS K-065 A2	5/1/2023	4/25/2027	1,162,125	1,176,636	4.19
FHMS K-065 A2	5/14/2024	4/25/2027	2,716,963	2,794,511	4.19
FHMS K-066 A2	7/29/2022	6/25/2027	521,186	513,051	4.19
FHMS K-066 A2	7/15/2024	6/25/2027	2,055,770	2,101,066	4.19
FHMS K-066 A2	3/27/2025	6/25/2027	1,462,969	1,465,417	4.21
FHMS K-067 A2	4/18/2023	7/25/2027	3,858,125	3,908,360	4.19
FHMS K-068 A2	5/17/2023	8/25/2027	2,912,461	2,935,350	4.15
FHMS K-068 A2	6/21/2024	8/25/2027	2,575,758	2,641,815	4.15
FHMS K-068 A2	8/19/2024	8/25/2027	778,531	782,760	4.15
FHMS K-069 A2	6/14/2023	9/25/2027	3,760,769	3,848,029	4.21
FHMS K-069 A2	6/21/2024	9/25/2027	2,534,358	2,597,419	4.21
FHMS K-069 A2	12/31/2024	9/25/2027	949,670	962,091	4.20
FHMS K-069 A2	3/11/2025	9/25/2027	720,199	721,505	4.21
FHMS K-070 A2	8/1/2024	11/25/2027	1,851,685	1,880,995	4.20
FHMS K-070 A2	12/31/2024	11/25/2027	1,118,131	1,133,038	4.21
FHMS K-072 A2	3/28/2025	12/25/2027	640,263	641,403	4.21
FHMS K-073 A2	5/30/2023	1/25/2028	6,511,410	6,616,126	4.22
FHMS K-073 A2	3/28/2025	1/25/2028	5,604,453	5,615,163	4.22
FHMS K-074 A2	3/4/2025	1/25/2028	1,712,471	1,719,953	4.20
FHMS K-075 A2	3/10/2025	2/25/2028	2,308,967	2,310,121	4.22
FHMS K-076 A2	3/31/2025	4/25/2028	2,219,590	2,226,083	4.22
FHMS K-076 A2	3/7/2025	4/25/2028	1,977,969	1,978,740	4.22
FHMS K-081 A2	3/25/2024	8/25/2028	4,803,447	4,895,490	4.23
FHMS K-084 A2	12/12/2024	10/25/2028	3,916,250	3,933,320	4.25
FHMS K-090 A2	3/31/2025	2/25/2029	2,896,875	2,908,770	4.25
FHMS K-092 A2	9/24/2024	4/25/2029	1,954,531	1,927,760	4.26
FHMS K-093 A2	10/21/2024	5/25/2029	2,858,438	2,857,290	4.28
FHMS K-098 A2	3/31/2025	8/25/2029	1,852,344	1,854,060	4.28
FHMS K-101 A1	12/31/2024	7/25/2029	739,627	749,116	4.47
FHMS K-507 A2	10/15/2024	9/25/2028	1,267,578	1,268,250	4.26
FHMS K-509 A2	10/15/2024	9/25/2028	1,524,492	1,524,060	4.28
FHMS K-513 A2	9/30/2024	12/25/2028	1,645,875	1,619,952	4.29
FHMS K-517 A2	9/30/2024	1/25/2029	1,579,863	1,549,605	4.34
FHMS K-518 A2	9/30/2024	1/25/2029	1,605,301	1,579,183	4.31
FHMS K-520 A2	9/30/2024	3/25/2029	1,405,262	1,383,897	4.31
FHMS K-528 A2	9/12/2024	7/25/2029	566,089	558,213	4.32
FHMS K-529 A2	10/16/2024	9/25/2029	974,088	971,245	4.32
FHMS K-530 A2	11/27/2024	9/25/2029	1,201,222	1,215,446	4.32
FHMS K-531 A2	12/12/2024	10/25/2029	803,634	808,632	4.33
FHMS K-733 A2	3/9/2023	8/25/2025	1,570,551	1,613,579	4.48
FHMS K-734 A2	4/24/2023	2/25/2026	1,908,764	1,956,114	4.35
FHMS K-736 A2	10/11/2023	7/25/2026	2,214,740	2,328,808	4.29
FHMS K-739 A2	11/4/2024	9/25/2027	4,408,481	4,487,259	4.17
FHMS K-739 A2	3/28/2025	9/25/2027	679,914	681,312	4.17
FHMS K-748 A2	8/22/2024	1/25/2029	1,847,109	1,860,520	4.28
FHMS K-750 A2	11/4/2024	9/25/2029	1,881,406	1,902,200	4.29
FHMS K-751 A2	3/28/2025	3/25/2030	2,996,367	3,007,080	4.32
FHMS K-S07 A2	7/28/2022	9/25/2025	489,922	494,490	4.68
FHMS K-S08 A2	9/16/2022	3/25/2027	894,504	904,521	4.38
FHMS K-S08 A2	1/13/2023	3/25/2027	456,260	464,484	4.38
FHR 3778 L	5/11/2022	12/15/2025	37,105	36,599	5.01
FHR 3806 L	4/9/2021	2/15/2026	24,336	22,891	5.13
FHR 3806 L	12/10/2021	2/15/2026	3,245.86	3,114.04	5.13
FHR 3806 L	5/5/2022	2/15/2026	170,105.78	166,884.30	5.13
FN AM8730	5/21/2021	7/1/2025	1,554,191.45	1,443,671.17	4.56
FN AN0571	5/1/2023	1/1/2026	582,703.13	593,010.00	4.59
FN AN1793	5/12/2023	6/1/2026	344,260.29	353,231.99	4.40
FN AN6001	4/24/2023	7/1/2027	501,797.49	516,435.99	4.43
FN BL5365	9/26/2022	2/1/2027	287,388.87	301,334.63	4.20
FNA 2012-M14 AL	4/26/2023	9/25/2027	3,547,225.34	3,614,748.80	5.73
FNA 2016-M03 A2	7/28/2022	2/25/2026	1,279,415.47	1,283,552.95	4.75
FNA 2016-M03 A2	10/12/2022	2/25/2026	1,609,237.60	1,679,415.07	4.75
FNA 2017-M2 A2	4/19/2023	2/25/2027	340,273.27	350,475.02	4.98
FNA 2017-M2 A2	5/1/2023	2/25/2027	812,221.16	830,755.59	4.98
FNA 2018-M1 A2	4/21/2023	12/25/2027	642,360.97	658,205.03	4.81
FNA 2024-M6 A2	12/17/2024	7/25/2027	3,932,375.00	3,968,316.50	4.74

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
FNGT 2017-T1 A	2/20/2024	6/25/2027	2,649,189.19	2,727,079.50	4.34
FNGT 2017-T1 A	3/4/2024	6/25/2027	928,806.50	956,870.00	4.34
FRESB 2018-SB52 10F	11/18/2024	6/25/2028	571,412.92	574,733.20	4.66
SUB-TOTAL			**277,800,590**	**281,070,197**	
MEDIUM TERM NOTES					
ABBVIE INC	6/13/2024	11/21/2026	4,703,375	4,820,935	4.30
ABBVIE INC	8/6/2024	3/15/2029	352,345	349,382	4.44
ABBVIE INC	9/19/2024	3/15/2029	1,197,468	1,174,723	4.44
ABBVIE INC	3/27/2025	3/15/2029	287,693	288,617	4.44
ACCENTURE CAPITAL INC	10/4/2024	10/4/2029	544,046	537,305	4.40
ACCENTURE CAPITAL INC	10/4/2024	10/4/2027	569,265	566,255	4.18
ADOBE INC	4/4/2024	4/4/2027	1,544,228	1,565,796	4.12
ADOBE INC	1/17/2025	1/17/2028	2,398,728	2,435,064	4.17
ADVANCED MICRO DEVICES INC	3/24/2025	3/24/2028	2,095,000	2,106,627	4.12
AIR PRODUCTS AND CHEMICALS INC	2/13/2024	5/15/2027	1,829,260	1,904,900	4.22
AIR PRODUCTS AND CHEMICALS INC	9/3/2024	2/8/2029	509,605	504,060	4.36
AMAZON.COM INC	7/15/2024	8/22/2027	3,819,680	3,911,480	4.13
AMERICAN EXPRESS CO	11/4/2021	11/4/2026	560,000	561,288	4.85
AMERICAN EXPRESS CO	8/3/2022	8/1/2025	2,452,545	2,449,231	4.64
AMERICAN EXPRESS CO	7/28/2023	7/28/2027	2,445,000	2,471,064	4.55
AMERICAN EXPRESS CO	10/30/2023	10/30/2026	765,000	772,390	4.63
AMERICAN EXPRESS CO	4/25/2024	4/23/2027	595,000	601,747	4.85
AMERICAN EXPRESS CO	7/26/2024	7/26/2028	475,000	480,980	4.71
AMERICAN HONDA FINANCE CORP	7/7/2023	7/7/2026	1,243,469	1,256,267	4.50
AMERICAN HONDA FINANCE CORP	9/13/2024	9/5/2029	804,152	788,984	4.75
APPLE INC	2/27/2023	2/23/2026	1,916,880	1,982,800	4.24
APPLE INC	3/23/2023	2/23/2026	1,938,220	1,982,800	4.24
ASTRAZENECA FINANCE LLC	2/26/2024	2/26/2027	1,712,119	1,733,162	4.19
ATHENE GLOBAL FUNDING	3/26/2024	3/25/2027	2,555,000	2,597,081	4.64
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	1/18/2024	1/18/2027	2,350,000	2,368,612	4.28
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	3/18/2024	3/18/2026	1,500,000	1,510,260	4.27
BANK OF AMERICA CORP	3/22/2022	4/2/2026	550,000	549,973	5.10
BANK OF AMERICA CORP	7/22/2022	7/22/2026	195,000	195,092	4.63
BANK OF AMERICA CORP	1/20/2023	1/20/2027	1,425,000	1,430,116	4.61
BANK OF AMERICA CORP	8/13/2024	4/24/2028	1,757,601	1,771,178	4.67
BANK OF AMERICA CORP	9/13/2024	3/5/2029	492,925	491,160	4.62
BANK OF AMERICA CORP	11/5/2024	4/24/2028	3,820,040	3,853,517	4.57
BANK OF AMERICA CORP	11/12/2024	7/23/2029	1,965,280	1,975,720	4.67
BANK OF AMERICA CORP	1/24/2025	1/24/2029	9,625,000	9,722,598	4.59
BANK OF AMERICA CORP	3/26/2025	9/15/2029	2,070,900	2,072,640	4.67
BANK OF AMERICA CORP	3/26/2025	4/24/2028	476,188	475,912	4.67
BANK OF NEW YORK MELLON CORP	4/26/2022	4/25/2025	1,229,828	1,228,672	4.90
BANK OF NEW YORK MELLON CORP	7/26/2022	7/24/2026	3,510,000	3,507,192	4.64
BANK OF NEW YORK MELLON CORP	8/31/2022	1/26/2027	3,695,080	3,848,360	4.24
BANK OF NEW YORK MELLON CORP	7/22/2024	7/21/2028	2,050,000	2,069,352	4.75
BANK OF NEW YORK MELLON CORP	9/13/2024	4/28/2028	746,340	741,885	4.23
BLACKROCK INC	7/26/2024	7/26/2027	7,240,233	7,291,939	4.23
BMW US CAPITAL LLC	4/1/2022	4/1/2025	194,817	195,000	0.00
BMW US CAPITAL LLC	4/2/2024	4/2/2027	2,447,085	2,467,591	4.52
BMW US CAPITAL LLC	8/13/2024	4/2/2027	964,149	960,579	4.59
BMW US CAPITAL LLC	8/13/2024	8/13/2026	3,964,921	3,971,859	4.51
BMW US CAPITAL LLC	3/27/2025	4/2/2027	246,465	246,431	4.59
BMW US CAPITAL LLC	3/21/2025	3/21/2030	284,926	286,499	4.93
BMW US CAPITAL LLC	3/21/2025	3/21/2028	354,823	355,831	4.66
BP CAPITAL MARKETS AMERICA INC	5/17/2024	11/17/2027	2,700,000	2,743,875	4.34
BRISTOL-MYERS SQUIBB CO	2/22/2024	2/22/2027	1,178,726	1,194,797	4.17
BRISTOL-MYERS SQUIBB CO	8/6/2024	2/22/2029	353,211	350,996	4.40
CADENCE DESIGN SYSTEMS INC	9/10/2024	9/10/2027	1,539,738	1,535,565	4.33
CAMDEN PROPERTY TRUST	11/3/2023	11/3/2026	2,449,927	2,500,764	4.41
CATERPILLAR FINANCIAL SERVICES CORP	5/14/2024	5/14/2027	2,562,179	2,605,732	4.21
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2024	5/14/2027	5,014,650	5,079,400	4.21
CATERPILLAR FINANCIAL SERVICES CORP	8/16/2024	8/16/2029	728,022	728,620	4.42
CATERPILLAR FINANCIAL SERVICES CORP	8/16/2024	10/15/2027	1,319,340	1,324,976	4.24
CATERPILLAR FINANCIAL SERVICES CORP	8/16/2024	10/16/2026	3,267,449	3,283,636	4.17
CATERPILLAR FINANCIAL SERVICES CORP	11/15/2024	11/15/2029	549,104	555,632	4.45
CATERPILLAR FINANCIAL SERVICES CORP	11/15/2024	11/15/2027	1,248,925	1,259,050	4.30
CATERPILLAR FINANCIAL SERVICES CORP	1/8/2025	1/8/2030	1,542,018	1,566,645	4.47
CATERPILLAR FINANCIAL SERVICES CORP	1/8/2025	1/7/2027	999,550	1,004,470	4.23
CENCORA INC	12/9/2024	12/15/2027	419,223	421,327	4.49
CHEVRON USA INC	2/26/2025	2/26/2028	7,960,000	8,016,038	4.21
CHEVRON USA INC	2/26/2025	2/26/2027	1,885,000	1,896,408	4.07
CHEVRON USA INC	3/27/2025	2/26/2027	482,309	482,905	4.07
CHUBB INA HOLDINGS LLC	8/28/2023	5/3/2026	1,651,406	1,711,351	4.37
CHUBB INA HOLDINGS LLC	12/29/2023	5/3/2026	2,207,530	2,245,529	4.37
CINTAS NO 2 CORP	5/3/2022	5/1/2025	414,909	414,519	4.78
CISCO SYSTEMS INC	2/26/2024	2/26/2027	5,802,447	5,879,894	4.11
CISCO SYSTEMS INC	3/4/2024	2/26/2027	2,336,261	2,363,090	4.11
CISCO SYSTEMS INC	8/19/2024	2/26/2027	1,286,599	1,284,434	4.15
CISCO SYSTEMS INC	2/24/2025	2/24/2030	124,906	126,996	4.38
CISCO SYSTEMS INC	3/27/2025	2/26/2027	328,335	328,694	4.15
CISCO SYSTEMS INC	3/12/2025	2/24/2030	2,016,520	2,031,940	4.38
CITIBANK NA	12/4/2023	12/4/2026	1,440,000	1,464,293	4.38
CITIBANK NA	4/30/2024	4/30/2026	1,005,000	1,015,824	4.33
CITIBANK NA	8/6/2024	9/29/2028	722,692	718,614	4.48
CITIBANK NA	8/6/2024	8/6/2026	4,310,000	4,338,317	4.39
CITIBANK NA	11/19/2024	11/19/2027	1,925,000	1,934,163	4.57

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CITIGROUP INC	3/4/2025	3/4/2029	2,805,000	2,811,115	4.70
COMCAST CORP	9/13/2024	6/1/2029	624,444	613,890	4.47
COMCAST CORP	11/5/2024	4/1/2027	3,812,544	3,840,693	4.30
COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	3/13/2023	3/13/2026	1,725,000	1,741,439	4.28
COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	3/14/2025	3/14/2028	1,580,000	1,586,999	4.26
COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/9/2024	1/9/2026	749,715	752,468	4.40
COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	9/3/2024	1/9/2029	510,175	506,420	4.43
COREBRIDGE GLOBAL FUNDING	8/22/2024	8/20/2027	1,859,702	1,866,138	4.50
COREBRIDGE GLOBAL FUNDING	1/9/2025	1/7/2028	590,000	595,505	4.54
DTE ELECTRIC CO	2/29/2024	12/1/2026	3,459,446	3,494,704	4.22
DTE ELECTRIC CO	8/16/2024	12/1/2026	1,411,252	1,408,547	4.24
DTE ELECTRIC CO	3/27/2025	12/1/2026	343,050	343,302	4.24
DUKE ENERGY CAROLINAS LLC	12/12/2023	11/15/2028	3,653,676	3,755,212	4.38
DUKE ENERGY CAROLINAS LLC	2/28/2025	2/1/2030	1,804,900	1,818,940	4.56
ELI LILLY AND CO	2/9/2024	2/9/2027	2,468,691	2,486,253	4.11
ELI LILLY AND CO	8/14/2024	8/14/2029	1,137,503	1,133,354	4.35
ELI LILLY AND CO	8/16/2024	2/9/2029	1,516,917	1,506,108	4.28
ELI LILLY AND CO	2/12/2025	2/12/2030	324,815	329,979	4.39
ELI LILLY AND CO	2/12/2025	2/12/2028	664,574	671,570	4.17
ELI LILLY AND CO	3/27/2025	2/9/2029	386,944	387,861	4.28
ENTERPRISE PRODUCTS OPERATING LLC	1/11/2024	1/11/2027	2,562,358	2,578,877	4.26
EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	3/27/2025	3/27/2030	434,108	436,849	4.90
FIFTH THIRD BANK NA	1/28/2025	1/28/2028	1,015,000	1,020,765	4.64
FLORIDA POWER & LIGHT CO	7/24/2023	5/15/2028	3,935,680	4,004,520	4.36
FLORIDA POWER & LIGHT CO	9/19/2024	5/15/2028	862,019	849,939	4.40
FLORIDA POWER & LIGHT CO	3/27/2025	5/15/2028	229,646	229,983	4.40
GEORGIA POWER CO	11/6/2024	9/15/2029	1,762,476	1,777,520	4.63
GEORGIA POWER CO	3/27/2025	9/15/2029	446,234	446,683	4.63
GOLDMAN SACHS BANK USA	3/18/2024	3/18/2027	2,220,000	2,234,186	4.60
GOLDMAN SACHS BANK USA	5/21/2024	5/21/2027	1,265,000	1,276,980	4.55
GOLDMAN SACHS GROUP INC	8/10/2023	8/10/2026	2,775,000	2,786,267	4.61
GOLDMAN SACHS GROUP INC	11/14/2023	11/16/2026	1,937,324	2,042,796	4.50
GOLDMAN SACHS GROUP INC	10/10/2024	3/15/2028	1,606,688	1,613,975	4.63
GOLDMAN SACHS GROUP INC	3/26/2025	3/15/2028	401,997	402,267	4.63
GUARDIAN LIFE GLOBAL FUNDING	9/26/2024	9/26/2029	595,000	585,807	4.56
HERSHEY CO	2/24/2025	2/24/2030	628,891	637,491	4.47
HERSHEY CO	2/24/2025	2/24/2028	779,462	787,301	4.19
HOME DEPOT INC	9/19/2022	9/15/2025	1,699,388	1,696,651	4.43
HOME DEPOT INC	12/4/2023	9/30/2026	1,017,766	1,030,659	4.19
HOME DEPOT INC	6/25/2024	6/25/2027	5,905,977	6,003,235	4.18
HOME DEPOT INC	6/25/2024	6/25/2026	5,219,200	5,282,423	4.22
HONEYWELL INTERNATIONAL INC	8/20/2024	8/15/2029	1,865,940	1,864,580	4.42
HORMEL FOODS CORP	3/8/2024	3/30/2027	2,282,784	2,306,045	4.30
HUNTINGTON NATIONAL BANK	2/26/2025	4/12/2028	1,265,000	1,270,047	4.66
HYUNDAI CAPITAL AMERICA	2/26/2024	3/30/2026	3,421,486	3,446,814	4.63
HYUNDAI CAPITAL AMERICA	8/13/2024	1/8/2027	1,402,802	1,400,086	4.81
HYUNDAI CAPITAL AMERICA	3/27/2025	1/8/2027	347,470	347,503	4.81
INTERCONTINENTAL EXCHANGE INC	5/23/2022	5/23/2025	854,060	852,944	5.26
JACKSON NATIONAL LIFE GLOBAL FUNDING	1/9/2023	1/9/2026	1,601,549	1,613,731	4.76
JACKSON NATIONAL LIFE GLOBAL FUNDING	4/12/2024	4/10/2026	1,488,897	1,503,887	4.66
JOHN DEERE CAPITAL CORP	6/8/2023	6/8/2026	554,678	558,263	4.23
JOHN DEERE CAPITAL CORP	1/8/2024	1/8/2027	998,890	1,005,840	4.15
JOHN DEERE CAPITAL CORP	1/17/2024	1/8/2027	3,997,840	4,023,360	4.15
JOHN DEERE CAPITAL CORP	3/7/2024	3/5/2027	1,348,745	1,366,497	4.18
JOHN DEERE CAPITAL CORP	6/11/2024	6/11/2027	2,172,303	2,205,059	4.23
JOHN DEERE CAPITAL CORP	8/20/2024	6/11/2029	2,044,940	2,032,440	4.42
JOHN DEERE CAPITAL CORP	9/6/2024	7/15/2027	1,734,757	1,736,215	4.17
JOHNSON & JOHNSON	2/20/2025	3/1/2028	1,044,394	1,056,495	4.13
JPMORGAN CHASE & CO	4/26/2022	4/26/2026	1,000,000	999,230	5.10
JPMORGAN CHASE & CO	10/18/2023	11/19/2026	2,211,269	2,406,347	4.58
JPMORGAN CHASE & CO	10/23/2023	10/22/2027	1,205,000	1,233,450	4.48
JPMORGAN CHASE & CO	1/23/2024	1/23/2028	1,490,000	1,502,933	4.53
JPMORGAN CHASE & CO	4/22/2024	4/22/2028	240,000	244,798	4.54
JPMORGAN CHASE & CO	6/13/2024	1/23/2028	3,934,033	3,979,243	4.53
JPMORGAN CHASE & CO	7/22/2024	7/22/2028	950,000	958,474	4.56
JPMORGAN CHASE & CO	8/13/2024	2/1/2028	2,898,373	2,922,908	4.50
JPMORGAN CHASE & CO	9/13/2024	6/1/2029	553,518	555,522	4.61
JPMORGAN CHASE & CO	10/22/2024	10/22/2028	1,090,098	1,088,899	4.55
JPMORGAN CHASE & CO	1/24/2025	1/24/2029	2,485,000	2,508,632	4.55
JPMORGAN CHASE & CO	3/27/2025	12/5/2029	2,476,000	2,482,625	4.66
JPMORGAN CHASE & CO	3/26/2025	2/1/2028	768,955	770,226	4.50
JPMORGAN CHASE BANK NA	12/8/2023	12/8/2026	2,965,000	3,003,812	4.26
KEYBANK NA	8/8/2022	8/8/2025	1,319,630	1,316,410	4.90
KEYBANK NA	1/26/2023	1/26/2026	354,705	354,681	4.81
LINCOLN FINANCIAL GLOBAL FUNDING	1/13/2025	1/13/2030	164,921	167,790	4.90
LOCKHEED MARTIN CORP	11/6/2024	2/15/2029	1,590,789	1,599,307	4.42
LOCKHEED MARTIN CORP	3/27/2025	2/15/2029	404,692	406,094	4.42
M&T BANK CORP	12/17/2024	1/16/2029	870,000	870,409	5.03
MANUFACTURERS AND TRADERS TRUST CO	1/27/2023	1/27/2026	2,430,763	2,434,026	4.69
MANUFACTURERS AND TRADERS TRUST CO	8/6/2024	1/27/2028	340,111	345,507	4.64
MARS INC	3/27/2025	3/1/2027	425,094	425,751	4.35
MARS INC	3/12/2025	3/1/2030	739,201	744,233	4.67
MARS INC	3/12/2025	3/1/2028	2,059,979	2,068,281	4.45
MARS INC	3/12/2025	3/1/2027	3,796,580	3,807,524	4.34
MARS INC	3/12/2025	3/1/2027	1,593,565	1,597,817	4.35
MARSH & MCLENNAN COMPANIES INC	11/8/2024	11/8/2027	3,366,613	3,385,906	4.35
MARSH & MCLENNAN COMPANIES INC	11/8/2024	11/8/2027	1,029,019	1,034,644	4.36

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
MASSMUTUAL GLOBAL FUNDING II	8/26/2022	8/26/2025	889,083	888,567	4.54
MASSMUTUAL GLOBAL FUNDING II	4/9/2024	4/9/2027	2,614,216	2,655,036	4.30
MASSMUTUAL GLOBAL FUNDING II	8/16/2024	5/30/2029	1,525,333	1,516,427	4.59
MASSMUTUAL GLOBAL FUNDING II	1/10/2025	1/10/2030	1,599,232	1,612,736	4.76
MASSMUTUAL GLOBAL FUNDING II	3/27/2025	3/27/2028	3,670,627	3,683,012	4.37
MASSMUTUAL GLOBAL FUNDING II	3/26/2025	5/30/2029	387,767	388,042	4.59
MASTERCARD INC	9/5/2024	1/15/2028	1,199,340	1,197,672	4.17
MASTERCARD INC	2/27/2025	3/15/2028	1,224,069	1,233,992	4.27
MERCEDES-BENZ FINANCE NORTH AMERICA LLC	8/23/2023	8/3/2026	1,340,348	1,362,488	4.48
MERCEDES-BENZ FINANCE NORTH AMERICA LLC	1/11/2024	1/11/2027	1,698,266	1,706,188	4.58
MERCEDES-BENZ FINANCE NORTH AMERICA LLC	8/1/2024	7/31/2026	4,244,193	4,264,187	4.52
MERCEDES-BENZ FINANCE NORTH AMERICA LLC	9/3/2024	8/3/2028	358,474	354,053	4.72
MET TOWER GLOBAL FUNDING	6/13/2022	6/13/2025	1,973,065	1,971,682	4.50
MET TOWER GLOBAL FUNDING	10/1/2024	10/1/2027	494,708	489,481	4.48
META PLATFORMS INC	8/16/2024	8/15/2029	1,595,750	1,595,027	4.30
META PLATFORMS INC	3/27/2025	8/15/2029	403,315	405,007	4.30
METROPOLITAN LIFE GLOBAL FUNDING I	1/6/2023	1/6/2026	1,750,000	1,758,085	4.37
METROPOLITAN LIFE GLOBAL FUNDING I	6/11/2024	6/11/2027	1,732,849	1,758,665	4.39
METROPOLITAN LIFE GLOBAL FUNDING I	8/6/2024	1/8/2029	701,999	696,362	4.58
METROPOLITAN LIFE GLOBAL FUNDING I	1/9/2025	1/9/2030	1,317,280.80	1,331,193.60	4.70
MORGAN STANLEY	10/18/2022	10/16/2026	1,165,000.00	1,174,087.00	4.66
MORGAN STANLEY	1/19/2023	1/28/2027	754,984.90	757,642.50	4.61
MORGAN STANLEY	4/19/2024	4/13/2028	1,530,000.00	1,561,671.00	4.57
MORGAN STANLEY	5/16/2024	7/20/2027	4,471,372.85	4,676,529.90	4.61
MORGAN STANLEY	8/6/2024	2/1/2029	349,595.40	349,726.50	4.60
MORGAN STANLEY	8/13/2024	4/13/2028	1,825,680.15	1,820,514.36	4.62
MORGAN STANLEY	3/26/2025	4/13/2028	530,233.60	530,345.92	4.62
MORGAN STANLEY BANK NA	4/21/2023	4/21/2026	2,895,000.00	2,904,119.25	4.42
MORGAN STANLEY BANK NA	11/1/2023	10/30/2026	2,340,000.00	2,391,737.40	4.34
MORGAN STANLEY BANK NA	1/18/2024	1/14/2028	1,250,000.00	1,257,812.50	4.58
MORGAN STANLEY BANK NA	5/30/2024	5/26/2028	680,000.00	692,552.80	4.59
MORGAN STANLEY BANK NA	7/19/2024	7/14/2028	1,060,000.00	1,069,211.40	4.56
MORGAN STANLEY BANK NA	10/18/2024	10/15/2027	2,325,000.00	2,322,070.50	4.53
MORGAN STANLEY BANK NA	1/21/2025	1/12/2029	1,315,000.00	1,330,780.00	4.55
MUTUAL OF OMAHA COMPANIES GLOBAL FUNDING	11/21/2024	10/15/2029	1,596,574.80	1,613,746.80	4.85
MUTUAL OF OMAHA COMPANIES GLOBAL FUNDING	3/26/2025	10/15/2029	452,051.60	453,243.70	4.85
NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	1/12/2023	1/12/2026	675,000.00	677,706.75	4.43
NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	6/11/2024	6/11/2027	1,335,000.00	1,357,080.90	4.29
NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	11/26/2024	10/26/2027	967,177.30	974,966.40	4.29
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	5/4/2022	6/15/2025	2,414,347.95	2,408,576.10	4.71
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/31/2022	10/30/2025	114,845.90	115,648.60	4.45
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/9/2023	3/13/2026	2,223,835.90	2,230,624.40	4.42
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	11/2/2023	11/13/2026	1,734,392.75	1,767,097.50	4.34
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/5/2024	2/5/2027	2,854,143.50	2,881,494.40	4.25
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	5/10/2024	5/6/2027	2,828,245.40	2,870,695.40	4.35
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	8/16/2024	2/5/2027	1,070,070.00	1,069,012.12	4.29
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	9/16/2024	6/15/2029	223,329.10	219,517.15	4.58
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/2/2024	6/15/2029	832,816.00	816,808.00	4.58
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	2/7/2028	864,619.40	873,563.50	4.37
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	3/27/2025	2/7/2030	2,014,320.00	2,026,280.00	4.64
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	3/27/2025	2/5/2027	287,299.95	287,423.07	4.29
NATIONAL SECURITIES CLEARING CORP	8/6/2024	5/30/2028	353,035.05	349,750.65	4.52
NESTLE HOLDINGS INC	3/14/2023	3/13/2026	579,808.60	585,597.00	4.20
NEVADA POWER CO	8/16/2024	5/1/2029	1,579,360.95	1,587,764.85	4.48
NEVADA POWER CO	3/27/2025	5/1/2029	401,230.30	403,010.65	4.48
NEW YORK LIFE GLOBAL FUNDING	9/19/2023	9/18/2026	1,384,736.85	1,408,157.20	4.26
NEW YORK LIFE GLOBAL FUNDING	2/8/2024	9/18/2026	4,115,934.00	4,117,716.00	4.26
NEW YORK LIFE GLOBAL FUNDING	10/1/2024	10/1/2027	2,739,397.20	2,713,504.20	4.31
NEW YORK LIFE GLOBAL FUNDING	12/5/2024	12/5/2029	2,128,785.90	2,138,243.10	4.51
NEXTERA ENERGY CAPITAL HOLDINGS INC	1/31/2024	1/29/2026	2,608,825.50	2,618,430.30	4.54
NEXTERA ENERGY CAPITAL HOLDINGS INC	2/4/2025	2/4/2028	1,364,959.05	1,381,052.40	4.40
NEXTERA ENERGY CAPITAL HOLDINGS INC	2/4/2025	2/4/2028	2,325,000.00	2,335,555.50	4.99
NORTHERN TRUST CORP	11/30/2022	5/10/2027	2,442,500.00	2,488,650.00	4.23
NORTHERN TRUST CORP	1/13/2023	5/10/2027	1,487,715.00	1,493,190.00	4.23
NORTHWESTERN MUTUAL GLOBAL FUNDING	7/1/2022	7/1/2025	5,003,298.30	4,998,093.10	4.51
NORTHWESTERN MUTUAL GLOBAL FUNDING	4/20/2023	4/6/2026	2,236,430.40	2,243,336.55	4.32
NORTHWESTERN MUTUAL GLOBAL FUNDING	3/25/2024	3/25/2027	1,209,866.90	1,225,838.90	4.37
NORTHWESTERN MUTUAL GLOBAL FUNDING	8/13/2024	3/25/2027	737,404.75	734,490.97	4.37
NORTHWESTERN MUTUAL GLOBAL FUNDING	8/19/2024	6/12/2028	1,322,438.00	1,316,996.20	4.46
NORTHWESTERN MUTUAL GLOBAL FUNDING	8/19/2024	3/25/2027	739,086.75	734,490.97	4.37
NORTHWESTERN MUTUAL GLOBAL FUNDING	9/12/2024	9/12/2027	819,975.40	814,325.60	4.41
NORTHWESTERN MUTUAL GLOBAL FUNDING	1/13/2025	1/13/2030	1,594,936.20	1,617,441.65	4.63
NORTHWESTERN MUTUAL GLOBAL FUNDING	3/26/2025	6/12/2028	354,350.50	354,575.90	4.46
NOVARTIS CAPITAL CORP	9/18/2024	9/18/2029	927,740.10	910,702.50	4.32
NUVEEN LLC	10/2/2024	11/1/2028	796,880.00	785,960.00	4.54
ONCOR ELECTRIC DELIVERY COMPANY LLC	11/13/2024	11/1/2029	404,226.45	405,400.95	4.63
PACCAR FINANCIAL CORP	4/7/2022	4/7/2025	1,889,508.60	1,889,470.80	4.47
PACCAR FINANCIAL CORP	8/10/2023	8/10/2026	3,593,202.50	3,633,466.50	4.23
PACCAR FINANCIAL CORP	5/13/2024	5/13/2027	2,368,175.10	2,406,118.80	4.24
PACCAR FINANCIAL CORP	8/6/2024	8/6/2027	6,486,361.65	6,534,229.80	4.18
PACCAR FINANCIAL CORP	9/26/2024	9/26/2029	254,474.70	250,953.15	4.39
PACCAR FINANCIAL CORP	11/25/2024	11/25/2026	2,343,006.75	2,358,765.15	4.13
PACCAR FINANCIAL CORP	3/3/2025	3/3/2028	1,224,252.75	1,234,322.25	4.27
PACIFIC LIFE GLOBAL FUNDING II	8/30/2023	8/28/2026	794,721.75	807,513.30	4.33
PACIFIC LIFE GLOBAL FUNDING II	8/6/2024	7/18/2028	358,651.65	355,722.60	4.47
PACIFIC LIFE GLOBAL FUNDING II	8/16/2024	7/18/2028	1,001,563.80	1,001,415.39	4.43
PACIFIC LIFE GLOBAL FUNDING II	2/10/2025	2/10/2030	824,711.25	830,502.75	4.69

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
PACIFIC LIFE GLOBAL FUNDING II	3/26/2025	7/18/2028	262,586.25	263,258.68	4.43
PEPSICO INC	9/3/2024	7/17/2029	511,250.00	504,690.00	4.25
PEPSICO INC	2/7/2025	2/7/2030	364,386.80	368,336.10	4.39
PEPSICO INC	2/7/2025	2/7/2028	2,848,803.00	2,868,382.50	4.20
PFIZER INC	8/16/2024	3/15/2029	1,969,981.75	1,970,148.62	4.34
PFIZER INC	3/27/2025	3/15/2029	501,638.80	503,428.64	4.34
PNC FINANCIAL SERVICES GROUP INC	1/24/2023	1/26/2027	1,630,000.00	1,630,586.80	4.71
PNC FINANCIAL SERVICES GROUP INC	1/22/2024	1/21/2028	490,000.00	496,722.80	4.94
PNC FINANCIAL SERVICES GROUP INC	3/12/2024	10/20/2027	3,808,842.95	3,807,882.25	4.55
PNC FINANCIAL SERVICES GROUP INC	3/26/2025	6/12/2029	2,055,340.00	2,056,540.00	4.61
PRICOA GLOBAL FUNDING I	8/31/2022	8/28/2025	354,783.45	354,432.00	4.58
PRICOA GLOBAL FUNDING I	8/28/2023	8/28/2026	809,181.90	823,761.90	4.29
PRINCIPAL LIFE GLOBAL FUNDING II	1/16/2024	1/16/2027	474,814.75	479,488.75	4.44
PRINCIPAL LIFE GLOBAL FUNDING II	8/6/2024	1/25/2029	352,410.60	350,516.55	4.64
PRINCIPAL LIFE GLOBAL FUNDING II	8/19/2024	8/19/2027	789,383.80	791,801.20	4.50
PRINCIPAL LIFE GLOBAL FUNDING II	11/27/2024	11/27/2029	519,979.20	525,808.40	4.68
PRINCIPAL LIFE GLOBAL FUNDING II	1/9/2025	1/9/2028	1,938,506.20	1,956,218.40	4.47
PUBLIC SERVICE ELECTRIC AND GAS CO	7/26/2023	5/1/2028	1,929,761.61	1,990,733.06	4.36
PUBLIC SERVICE ELECTRIC AND GAS CO	1/31/2024	9/1/2028	2,539,641.65	2,582,129.55	4.34
PUBLIC STORAGE OPERATING CO	8/6/2024	11/9/2028	311,866.20	316,485.75	4.46
ROCHE HOLDINGS INC	11/13/2023	11/13/2026	2,775,000.00	2,820,343.50	4.15
ROCHE HOLDINGS INC	9/18/2024	9/9/2029	757,912.50	745,860.00	4.34
ROYAL BANK OF CANADA	4/14/2022	4/14/2025	2,524,065.75	2,523,762.75	4.66
SAMMONS FINANCIAL GROUP GLOBAL FUNDING	1/10/2025	1/10/2028	794,364.00	804,373.05	4.59
SOUTHERN CALIFORNIA GAS CO	10/10/2024	4/15/2027	1,070,258.67	1,073,895.17	4.50
SOUTHERN CALIFORNIA GAS CO	3/27/2025	4/15/2027	266,241.25	266,776.13	4.50
STATE STREET CORP	11/4/2022	11/4/2026	685,000.00	689,548.40	4.59
STATE STREET CORP	5/18/2023	5/18/2026	1,225,000.00	1,225,931.00	4.44
STATE STREET CORP	8/3/2023	8/3/2026	3,235,000.00	3,271,523.15	4.34
STATE STREET CORP	3/18/2024	3/18/2027	5,775,000.00	5,850,363.75	4.26
STATE STREET CORP	2/28/2025	2/28/2028	2,790,000.00	2,803,140.90	4.36
TEXAS INSTRUMENTS INC	2/8/2024	2/8/2027	2,198,592.00	2,218,568.00	4.10
THERMO FISHER SCIENTIFIC INC	12/5/2023	12/5/2026	1,873,706.25	1,893,975.00	4.34
TORONTO-DOMINION BANK	4/12/2024	4/5/2027	4,942,150.00	5,052,700.00	4.43
TOYOTA MOTOR CREDIT CORP	5/18/2023	5/18/2026	1,509,124.20	1,511,117.40	4.38
TOYOTA MOTOR CREDIT CORP	3/21/2024	3/19/2027	724,122.75	734,526.50	4.30
TOYOTA MOTOR CREDIT CORP	5/16/2024	5/15/2026	3,822,513.75	3,859,425.00	4.37
TOYOTA MOTOR CREDIT CORP	8/20/2024	8/9/2029	2,012,880.00	2,000,420.00	4.54
TOYOTA MOTOR CREDIT CORP	10/10/2024	10/8/2027	219,914.20	220,079.20	4.33
TRUIST FINANCIAL CORP	7/28/2022	7/28/2026	3,065,000.00	3,059,391.05	4.80
TRUIST FINANCIAL CORP	10/28/2022	10/28/2026	1,650,000.00	1,660,824.00	4.72
UBS AG (STAMFORD BRANCH)	1/10/2025	1/10/2028	4,605,000.00	4,626,090.90	4.59
UNILEVER CAPITAL CORP	8/12/2024	8/12/2027	1,002,316.65	1,006,668.30	4.17
UNITEDHEALTH GROUP INC	3/21/2024	4/15/2027	2,085,363.00	2,113,881.00	4.25
UNITEDHEALTH GROUP INC	7/25/2024	7/15/2026	603,983.60	609,023.25	4.21
UNITEDHEALTH GROUP INC	7/31/2024	5/15/2029	3,411,485.00	3,439,765.00	4.46
US BANCORP	8/13/2024	7/22/2028	1,501,755.40	1,506,261.24	4.66
US BANCORP	9/3/2024	1/27/2028	3,769,259.00	3,820,004.00	4.54
US BANCORP	3/26/2025	7/22/2028	414,468.80	413,972.46	4.66
US BANK NA	10/22/2024	10/22/2027	1,935,000.00	1,932,658.65	4.58
USAA CAPITAL CORP	6/3/2024	6/1/2027	2,213,584.20	2,266,420.20	4.23
VOLKSWAGEN GROUP OF AMERICA FINANCE LLC	8/15/2024	8/14/2026	4,504,763.70	4,510,496.10	4.80
VOLKSWAGEN GROUP OF AMERICA FINANCE LLC	8/15/2024	8/14/2026	1,406,109.95	1,405,330.18	4.88
VOLKSWAGEN GROUP OF AMERICA FINANCE LLC	3/27/2025	8/14/2026	365,098.55	365,085.78	4.88
WALMART INC	9/9/2022	9/9/2025	1,274,107.50	1,273,151.25	4.23
WASTE MANAGEMENT INC	7/3/2024	7/3/2027	2,561,896.35	2,604,834.45	4.19
WASTE MANAGEMENT INC	11/4/2024	3/15/2028	3,826,447.95	3,857,894.95	4.28
WASTE MANAGEMENT INC	11/4/2024	3/15/2028	1,606,409.70	1,618,233.54	4.31
WASTE MANAGEMENT INC	3/27/2025	3/15/2028	426,270.75	427,173.45	4.31
WELLS FARGO & CO	4/25/2022	4/25/2026	1,850,000.00	1,848,760.50	5.66
WELLS FARGO & CO	8/15/2022	8/15/2026	1,360,000.00	1,359,374.40	4.64
WELLS FARGO & CO	3/30/2023	4/22/2026	2,046,240.00	2,141,983.50	4.48
WELLS FARGO & CO	4/22/2024	4/22/2028	995,000.00	1,016,750.70	4.58
WELLS FARGO & CO	1/24/2025	1/24/2028	6,275,000.00	6,310,391.00	4.57
WELLS FARGO BANK NA	8/9/2023	8/7/2026	534,957.20	542,361.60	4.32
WELLS FARGO BANK NA	12/11/2023	12/11/2026	4,100,000.00	4,158,179.00	4.33
WELLS FARGO BANK NA	8/13/2024	8/7/2026	946,572.60	942,625.68	4.34
WELLS FARGO BANK NA	3/26/2025	8/7/2026	253,235.00	253,394.00	4.34
SUB-TOTAL			***554,897,386***	***559,733,954***	
MORTGAGE AND ASSET-BACK SECURITIES					
AESOP 212 A	1/22/2024	2/20/2028	702,027	737,777	4.68
AESOP 212 A	3/15/2024	2/20/2028	910,508	951,970	4.68
AESOP 221 A	5/16/2024	8/21/2028	1,906,563	1,967,260	4.66
AESOP 221 A	7/17/2024	8/21/2028	1,906,492	1,942,669	4.66
AESOP 221 A	8/15/2024	8/21/2028	1,756,125	1,769,177	4.70
AESOP 232 A	6/7/2024	10/20/2027	746,338	755,348	4.69
AESOP 242 A	8/20/2024	10/20/2028	575,611	577,177	4.60
AESOP 242 A	9/27/2024	10/20/2028	727,736	724,003	4.60
ALLYA 2022-1 A3	5/18/2022	11/16/2026	575,865	574,168	4.49
ALLYA 2022-2 A3	10/12/2022	5/17/2027	521,093	521,407	4.66
ALLYA 2023-1 A3	7/19/2023	5/15/2028	1,619,724	1,632,620	4.67
ALLYA 2024-2 A3	9/27/2024	7/16/2029	974,899	970,154	4.46
AMCAR 2023-2 A3	9/20/2023	5/18/2028	4,599,241	4,656,488	4.56
AMCAR 2024-1 A3	5/29/2024	1/18/2029	1,199,889	1,213,572	2.55
AMXCA 2022-2 A	5/24/2022	5/17/2027	6,908,472	6,899,151	4.62
AMXCA 2023-1 A	6/14/2023	5/15/2028	1,339,881	1,347,437	4.39
AMXCA 2023-1 A	7/31/2024	5/15/2028	3,752,930	3,770,813	4.39

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
AMXCA 2023-1 A	8/30/2024	5/15/2028	1,007,031	1,005,470	4.40
AMXCA 2023-3 A	7/5/2024	9/15/2028	1,831,131	1,847,283	4.39
AMXCA 2024-1 A	4/23/2024	4/16/2029	5,218,930	5,316,674	4.31
AMXCA 2024-1 A	12/26/2024	4/16/2029	1,671,656	1,681,348	4.29
AMXCA 2024-3 A	10/11/2024	7/16/2029	1,614,500	1,610,766	4.37
AMXCA 2024-3 A	3/26/2025	7/16/2029	598,579	599,003	4.37
AMXCA 2025-1 A	2/11/2025	12/17/2029	949,789	957,258	4.29
BAAT 2024-1 A3	5/22/2024	11/15/2028	549,910	556,292	4.62
BAAT 231 A3	7/31/2023	2/15/2028	1,036,078	1,043,515	4.74
BAAT 232 A3	11/21/2023	6/15/2028	1,299,976	1,316,952	4.65
BACCT 2023-1 A	6/16/2023	5/15/2028	914,793	919,127	4.41
BACCT 2023-2 A	12/14/2023	11/15/2028	1,334,821	1,348,884	4.35
BACCT 2023-2 A	7/5/2024	11/15/2028	1,795,579	1,816,699	4.35
BACCT 2024-1 A	6/13/2024	5/15/2029	2,544,857	2,578,314	4.32
BACCT 2024-1 A	7/5/2024	5/15/2029	399,859	405,236	4.32
BACCT 2024-1 A	3/27/2025	5/15/2029	3,035,156	3,040,422	4.30
BMWLT 2024-2 A3	10/7/2024	10/25/2027	3,349,690	3,340,386	4.43
BMWOT 2022-A A3	5/18/2022	8/25/2026	611,821	609,895	4.42
BMWOT 2023-A A3	7/18/2023	2/25/2028	736,142	741,124	4.69
BMWOT 2024-A A3	6/11/2024	2/26/2029	3,864,413	3,912,849	4.48
BMWOT 2025-A A3	2/12/2025	9/25/2029	864,915	869,048	4.39
CARMX 2021-3 A3	7/28/2021	6/15/2026	131,397	131,022	4.27
CARMX 2022-2 A3	4/28/2022	2/16/2027	565,055	563,135	4.54
CARMX 2022-3 A3	7/20/2022	4/15/2027	1,183,048	1,180,000	4.53
CARMX 2022-4 A3	10/31/2022	8/16/2027	1,802,828	1,810,771	4.65
CARMX 2023-2 A3	4/26/2023	1/18/2028	2,663,210	2,672,549	4.65
CARMX 2023-3 A3	7/26/2023	5/15/2028	3,199,963	3,224,224	4.58
CARMX 2023-4 A3	10/18/2023	7/17/2028	599,882	610,266	4.63
CARMX 2024-1 A3	1/24/2024	10/16/2028	8,234,370	8,290,175	4.50
CARMX 2024-2 A3	4/24/2024	1/16/2029	1,999,930	2,033,080	4.55
CARMX 2024-2 A3	5/20/2024	1/16/2029	367,666	371,037	4.55
CARMX 2024-3 A3	7/30/2024	7/16/2029	5,699,743	5,755,404	4.45
CARMX 2024-4 A3	11/5/2024	10/15/2029	1,099,794	1,104,389	4.46
CCCIT 2023-A1 A1	12/11/2023	12/8/2027	584,927	587,627	4.53
CHAIT 2023-1 A	9/15/2023	9/15/2028	6,538,187	6,614,098	4.39
CHAIT 2023-1 A	9/22/2023	9/15/2028	4,608,379	4,677,401	4.39
CHAIT 2023-1 A	8/28/2024	9/15/2028	1,627,938	1,617,721	4.40
CHAIT 241 A	1/31/2024	1/16/2029	3,259,504	3,278,517	4.30
CHAOT 245 A3	9/24/2024	8/27/2029	944,901	939,821	4.43
CMXS 2024-A A3	6/26/2024	11/15/2028	2,279,966	2,303,644	4.74
COMET 2023-1 A	12/20/2023	5/15/2028	3,470,195	3,501,365	4.41
COMET 2024-1 A	9/24/2024	9/17/2029	2,498,242	2,481,434	4.27
COMET 2024-1 A	9/24/2024	9/17/2029	4,693,576	4,665,328	4.22
COPAR 2021-1 A3	10/27/2021	9/15/2026	132,398	131,668	4.04
COPAR 2022-1 A3	5/4/2022	4/15/2027	590,660	587,126	4.46
COPAR 2022-2 A3	8/10/2022	5/17/2027	777,465	773,882	4.50
CRVNA 23P2 A3	5/31/2023	4/10/2028	1,734,957	1,756,962	4.90
DLLAA 251 A3	1/22/2025	10/20/2029	1,319,876	1,336,262	4.45
DLLAA 251 A3	1/22/2025	10/20/2029	549,948	556,341	4.48
EFF 244 A3	10/16/2024	11/20/2028	7,829,054	7,849,653	4.41
FITAT 2023-1 A3	8/23/2023	8/15/2028	2,649,836	2,673,320	4.74
FORDF 2024-1 A1	5/10/2024	4/15/2029	2,599,488	2,644,928	4.44
FORDF 2024-1 A1	1/30/2025	4/15/2029	1,268,164	1,271,600	4.44
FORDF 231 B	8/14/2023	5/15/2028	568,621	578,640	4.76
FORDF 243 A1	10/8/2024	9/17/2029	5,849,468	5,836,136	4.44
FORDO 2022-A A3	1/24/2022	6/15/2026	70,980	70,752	4.10
FORDO 2022-B A3	6/27/2022	9/15/2026	187,154	186,866	4.44
FORDO 2023-B A3	6/26/2023	5/15/2028	1,434,981	1,446,035	4.46
FORDO 2024-B A3	6/24/2024	4/15/2029	3,264,970	3,305,878	4.44
FORDO 2024-C A3	9/20/2024	7/15/2029	1,524,990	1,517,939	4.33
FORDO 2025-A A3	3/25/2025	10/15/2029	2,929,715	2,938,058	4.37
GALC 2022-1 A3	10/12/2022	9/15/2026	2,480,305	2,485,148	4.65
GALC 241 A3	1/31/2024	1/18/2028	2,799,516	2,819,432	4.47
GALC 251 A3	3/12/2025	4/16/2029	1,699,832	1,700,629	4.44
GFORT 231 A1	6/28/2023	6/15/2028	1,299,682	1,312,805	4.53
GFORT 231 A1	10/24/2023	6/15/2028	1,975,703	2,019,700	4.53
GMALT 2024-1 A3	2/15/2024	3/22/2027	1,714,786	1,722,597	4.51
GMALT 2024-3 A3	10/2/2024	10/20/2027	439,948	438,966	4.43
GMCAR 2021-4 A3	10/21/2021	9/16/2026	216,031	214,902	4.32
GMCAR 2022-1 A3	1/19/2022	11/16/2026	312,851	311,233	4.27
GMCAR 2022-2 A3	4/13/2022	2/16/2027	397,591	395,630	4.55
GMCAR 2022-3 A3	7/13/2022	4/16/2027	664,897	662,781	4.48
GMCAR 2023-2 A3	4/12/2023	2/16/2028	596,499	596,217	4.56
GMCAR 2023-4 A3	10/11/2023	8/16/2028	939,807	952,239	4.75
GMCAR 2024-1 A3	1/17/2024	12/18/2028	764,846	769,353	4.48
GMCAR 2024-2 A3	4/10/2024	3/16/2029	1,269,754	1,282,725	4.49
GMCAR 2024-3 A3	7/10/2024	4/16/2029	1,894,708	1,916,603	4.53
GMCAR 2024-4 A3	10/16/2024	8/16/2029	2,639,492	2,643,406	4.37
GMCAR 2025-1 A3	1/15/2025	12/17/2029	2,964,780	2,983,087	4.39
HALST 2024-B A3	5/22/2024	5/17/2027	1,964,945	1,982,410	4.51
HALST 24A A3	1/24/2024	3/15/2027	1,794,660	1,801,516	4.59
HALST 25A A3	1/22/2025	1/18/2028	809,939	815,297	4.48
HAROT 2021-4 A3	11/24/2021	1/21/2026	144,540	144,079	4.70
HAROT 2022-1 A3	2/23/2022	5/15/2026	199,234	198,192	4.60
HAROT 2022-2 A3	8/24/2022	7/20/2026	567,472	565,979	4.58
HAROT 2023-4 A3	11/8/2023	6/21/2028	599,894	607,230	4.71
HAROT 2024-3 A3	8/21/2024	3/21/2029	5,224,179	5,246,788	4.37

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
HART 2022-B A3	7/20/2022	11/16/2026	516,906	515,655	4.53
HART 2022-C A3	11/9/2022	6/15/2027	4,146,379	4,161,658	4.72
HART 2024-C A3	10/16/2024	5/15/2029	1,794,869	1,797,405	4.38
HART 2025-A A3	3/12/2025	10/15/2029	4,439,345	4,434,761	4.41
HDMOT 2022-A A3	4/20/2022	2/16/2027	471,176	469,516	4.79
HDMOT 2023-A A3	2/23/2023	12/15/2027	1,254,986	1,258,602	4.64
HUNT 241 A3	2/22/2024	1/16/2029	4,224,843	4,266,574	4.65
JDOT 2022 A3	3/16/2022	9/15/2026	383,336	381,420	4.30
JDOT 2024 A3	3/19/2024	11/15/2028	1,254,930	1,267,550	4.32
JDOT 2025 A3	3/11/2025	9/17/2029	2,644,834	2,642,910	4.30
KCOT 2022-1 A3	3/23/2022	10/15/2026	937,406	931,352	4.65
KCOT 2023-1 A3	3/31/2023	6/15/2027	6,627,006	6,654,092	4.49
KCOT 2024-2 A2	6/25/2024	4/15/2027	899,898	904,554	4.27
KCOT 222 A3	7/21/2022	12/15/2026	1,207,270	1,204,810	4.65
KCOT 232 A3	7/26/2023	1/18/2028	3,029,235	3,057,937	4.53
KCOT 241 A3	2/21/2024	7/17/2028	4,039,842	4,086,298	4.67
KCOT 251 A2	2/19/2025	12/15/2027	899,888	901,980	4.38
LADAR 243 A3	10/29/2024	3/15/2029	624,973	625,388	4.51
MBALT 2024-A A3	5/23/2024	1/18/2028	1,319,846	1,335,761	4.41
MBALT 2024-B A3	9/25/2024	2/15/2028	2,149,638	2,146,302	4.40
MBART 2022-1 A3	11/22/2022	8/16/2027	2,125,833	2,132,463	4.76
MBART 2023-1 A3	1/25/2023	11/15/2027	474,627	474,565	4.57
MBART 2025-1 A3	1/23/2025	12/17/2029	2,659,434	2,683,913	4.45
NALT 2025-A B	1/22/2025	2/15/2029	1,104,975	1,113,520	4.73
NALT 2025-A B	1/22/2025	2/15/2029	464,990	469,263	4.66
NAROT 2022-B A3	9/28/2022	5/17/2027	898,566	898,195	4.58
NAROT 2023-B A3	10/25/2023	3/15/2028	2,799,432	2,830,968	4.86
NAROT 2024-A A3	5/22/2024	12/15/2028	2,629,754	2,661,849	4.24
NAVMT 231 A	9/20/2023	8/25/2028	1,199,829	1,205,004	5.14
NAVMT 241 A	5/23/2024	4/25/2029	2,514,663	2,541,156	4.62
NFMOT 241 A2	9/19/2024	3/15/2029	1,429,094	1,419,923	4.39
NFMOT 242 A2	10/10/2024	9/17/2029	1,954,518	1,958,167	4.39
NFMOT 242 A2	11/27/2024	9/17/2029	1,159,900	1,171,895	4.39
NMOTR 24B A	3/20/2024	2/15/2029	1,699,887	1,713,855	4.63
NMOTR 24B A	10/25/2024	2/15/2029	1,593,211	1,591,268	4.51
ODART 2021-1 B	10/31/2023	7/14/2028	798,188	877,644	3.47
PFSFC 24B A	4/15/2024	2/15/2029	616,797	629,375	4.60
PFSFC 24B A	9/20/2024	2/15/2029	1,526,602	1,510,397	4.60
PILOT 241 A3	8/21/2024	11/22/2027	749,918	752,520	4.83
SBAT 24A A3	3/28/2024	12/15/2028	4,199,391	4,216,002	4.86
SDART 2023-3 A3	7/26/2023	10/15/2027	799,285	800,958	4.83
SYNIT 2024-1 A	3/27/2025	3/15/2030	581,491	582,694	4.36
SYNIT 2024-1 A	3/27/2025	3/15/2030	2,423,049	2,431,972	4.27
TAOT 2021-D A3	11/15/2021	4/15/2026	72,567	72,358	4.70
TAOT 2022-B A3	4/13/2022	9/15/2026	380,499	378,841	4.49
TAOT 2022-C A3	8/16/2022	4/15/2027	472,787	470,876	4.63
TAOT 2022-D A3	11/8/2022	9/15/2027	3,697,900	3,714,722	4.65
TAOT 2023-A A3	1/30/2023	9/15/2027	611,000	611,306	4.58
TAOT 2023-B A3	5/23/2023	2/15/2028	1,894,894	1,897,009	4.61
TAOT 2023-D A3	11/14/2023	8/15/2028	1,959,789	1,989,518	4.46
TAOT 2023-D A3	3/13/2024	8/15/2028	425,513	426,325	4.46
TAOT 25A A3	1/29/2025	8/15/2029	4,774,809	4,812,579	4.33
TLOT 2024-B A3	9/17/2024	9/20/2027	1,059,876	1,055,866	4.54
TLOT 2025-A A3	2/26/2025	2/22/2028	2,099,972	2,112,789	4.43
TLOT 2025-A A4	2/26/2025	6/20/2029	1,199,960	1,208,940	4.49
TMUST 2024-2 A	10/9/2024	5/21/2029	5,338,980	5,323,766	4.44
USAOT 2024-A A3	7/30/2024	3/15/2029	814,847	821,699	4.59
VALET 2021-1 A3	12/13/2021	6/22/2026	17,928	17,896	4.14
VALET 2024-1 A3	11/26/2024	7/20/2029	569,946	573,477	4.39
VALET 2025-1 A3	3/25/2025	8/20/2029	2,429,917	2,437,290	4.41
VERIZON MASTER TRUST, SERIES 2025-3	3/31/2025	3/20/2030	3,584,846	3,585,000	4.51
VWALT 2024-A A3	3/27/2024	6/21/2027	4,799,598	4,846,560	4.35
VZMT 2024-4 B	6/28/2024	6/20/2029	779,875	787,223	4.65
WFCIT 2024-1 A	5/20/2024	2/15/2029	4,490,859	4,554,225	4.30
WFCIT 2024-1 A	6/27/2024	2/15/2029	2,455,964	2,489,643	4.30
WFCIT 2024-1 A	8/16/2024	2/15/2029	2,680,915	2,674,416	4.40
WFCIT 2024-2 A	10/24/2024	10/15/2029	1,534,772	1,533,228	4.37
WFCIT 2024-2 A	10/24/2024	10/15/2029	5,744,146	5,743,736	4.33
WFLOOR 241 A1	2/29/2024	2/15/2028	999,872	1,006,880	4.97
WLAKE 2023-1 A3	1/20/2023	1/18/2028	568,982	569,284	4.68
WOART 2021-D A3	11/3/2021	10/15/2026	110,700	110,339	4.07
WOLS 2024-A A3	4/17/2024	10/15/2027	799,932	807,368	4.52
SUB-TOTAL			***331,306,019***	***333,336,979***	
Municipal Debt					
ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV	9/6/2022	9/1/2027	98,611	103,369	4.20
BURBANK GLENDALE PASADENA ARPT AUTH CALIF ARPT REV	5/30/2024	7/1/2028	1,500,000	1,535,625	4.33
CALIFORNIA ST	11/5/2024	8/1/2029	1,713,985	1,721,385	4.25
CALIFORNIA ST PUB WKS BRD LEASE REV	11/8/2023	11/1/2026	1,600,000	1,628,368	4.37
CALIFORNIA ST PUB WKS BRD LEASE REV	4/11/2024	4/1/2027	1,510,000	1,526,474	4.34
CALIFORNIA ST PUB WKS BRD LEASE REV	4/11/2024	4/1/2026	1,135,000	1,141,515	4.40
CORONA	10/3/2024	5/1/2027	1,613,220	1,616,374	4.32
CORONA	10/3/2024	5/1/2027	1,873,417	1,883,554	4.15
FLORIDA ST BRD ADMIN FIN CORP REV	9/16/2020	7/1/2025	1,025,000	1,016,564	4.57
GOLDEN ST TOB SECURITIZATION CORP CALIF TOB SETTLE	10/7/2021	6/1/2025	2,120,000	2,109,421	4.40
KANSAS ST DEV FIN AUTH REV	11/22/2024	4/15/2029	1,318,473	1,330,915	4.37
LOS ANGELES CALIF CMNTY COLLEGE DIST	6/5/2024	8/1/2026	2,170,000	2,190,724	4.23
LOS ANGELES CALIF CMNTY COLLEGE DIST	2/14/2025	8/1/2029	829,336	830,265	5.03

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2025

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
LOS ANGELES CALIF DEPT ARPTS ARPT REV	9/25/2024	5/15/2029	821,894	823,378	4.18
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	3/4/2021	11/1/2025	1,600,000	1,563,856	4.92
MASSACHUSETTS (COMMONWEALTH OF)	5/1/2024	7/15/2027	764,544	785,667	4.22
MASSACHUSETTS COMMONWEALTH	6/26/2023	11/1/2026	431,068	462,239	4.08
NEW JERSEY ST TRANSN TR FD AUTH	10/24/2024	6/15/2026	2,210,000	2,217,846	4.30
NEW YORK ST DORM AUTH ST PERS INCOME TAX REV	3/31/2025	3/15/2027	1,426,125	1,428,327	4.21
NEW YORK ST URBAN DEV CORP REV	9/25/2024	3/15/2029	525,642	522,934	4.34
PENNSYLVANIA ECONOMIC DEV FING AUTH REV	2/26/2025	6/1/2029	1,500,000.00	1,518,975.00	4.39
PENNSYLVANIA ECONOMIC DEV FING AUTH REV	2/26/2025	6/1/2028	455,000.00	459,254.25	4.32
PENNSYLVANIA ECONOMIC DEV FING AUTH REV	2/26/2025	6/1/2027	540,000.00	543,472.20	4.25
PORT OAKLAND CALIF REV	9/25/2024	5/1/2029	1,284,425.72	1,261,387.14	4.66
REDONDO BEACH CALIF CMNTY FING AUTH LEASE REV	7/15/2021	5/1/2026	1,495,000.00	1,448,385.90	4.30
SACRAMENTO CALIF WTR REV	9/20/2024	9/1/2026	144,307.50	145,555.50	4.13
SACRAMENTO CALIF WTR REV	3/31/2025	9/1/2026	241,880.00	242,592.50	4.13
SAN DIEGO CALIF UNI SCH DIST	9/19/2024	7/1/2029	790,000.00	782,194.80	4.22
SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM	7/31/2024	10/1/2027	4,230,000.00	4,268,239.20	4.26
SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM	10/4/2024	10/1/2027	499,937.20	495,439.00	4.17
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	9/19/2024	5/1/2029	933,320.00	927,940.00	4.29
WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	2/16/2023	5/1/2026	1,240,000.00	1,241,599.60	4.24
WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	5/17/2023	5/1/2027	841,262.50	837,329.65	4.19
WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	5/17/2023	5/1/2027	2,276,950.00	2,267,435.40	4.16
WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	3/26/2025	5/1/2029	437,761.10	437,648.40	4.37
SUB-TOTAL			***43,196,157***	***43,316,248***	
Supranationals					
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	9/27/2024	9/21/2029	2,003,800	1,965,340	4.05
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	10/16/2024	10/16/2029	*1,481,124*	*1,473,981*	4.06
INTERNATIONAL FINANCE CORP	12/6/2023	1/15/2027	*4,938,847*	*4,994,888*	3.90
SUB-TOTAL			***8,423,771***	***8,434,209***	
MANAGED PORTFOLIO - TOTAL			**$ 2,310,160,001**	**$ 2,332,175,312**	

DEBT SERVICE RESERVE FUNDS

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
91 EXPRESS LANES 2023 BONDS (US Bank DSF/DSRF)					
FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	N/A	5,350,175	5,350,175	3.97
91 EXPRESS LANES 2023 BONDS - OPERATING & MAINTENANCE RESERVES					
BMO HARRIS BANK NCD	7/10/2024	4/4/2025	5,000,000	5,000,000	5.26
BMO HARRIS BANK NCD	10/10/2024	7/7/2025	3,000,000	3,000,000	4.45
DEBT SERVICE RESERVE FUNDS - TOTAL			**$ 13,350,175**	**$ 13,350,175**	

	Book Value	Market Value
TOTAL PORTFOLIO	**$ 2,917,745,879**	**$ 2,939,966,936**

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Annual Update to Investment Policy

Finance and Administration Committee Meeting of May 14, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, and Tettemer
Absent: Director Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Adopt the Fiscal Year 2025-26 Investment Policy July 1, 2025.

B. Authorize the Treasurer, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2025-26.

OCTA

May 14, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Annual Update to Investment Policy

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2025-26 Investment Policy. The governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year. Additionally, and as recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Proposed Fiscal Year 2025-26 Investment Policy to be reviewed at a public meeting.

Recommendations

A. Adopt the Fiscal Year 2025-26 Investment Policy July 1, 2025.

B. Authorize the Treasurer, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2025-26.

Background

The Investment Policy (Policy) sets forth the guidelines for all Orange County Transportation Authority (OCTA) investments that must conform to the California Government Code (Code). The main objectives of the Policy continue to be the preservation of capital, liquidity, diversification, and a market average rate of return through economic cycles.

The Policy is reviewed, updated, and approved by the Board of Directors (Board) at least annually. However, relevant changes to the Code may warrant amendments to the Policy throughout the year.

Discussion

The Proposed Fiscal Year 2025-26 Policy is being submitted for review and adoption by the Board. OCTA's four investment managers performed an objective evaluation of the Policy as it relates to effectiveness and risk. There was new legislation enacted resulting in updates to the Policy.

While there was marginal sentiment to reduce credit quality and increase the maximum allocation of funds for certain investments, staff believes that the current structure is a good match for the risk tolerance of OCTA, while providing sufficient latitude to navigate the fixed-income market.

Changes to align definitions and reporting requirements to the Code, and to enhance clarity of the Policy and efficiency in portfolio management, are summarized below:

- Added language to Section 11-6, Commercial Paper, to align definition and reporting requirement with the Code.

- Added language to Section 11-10, Mutual Fund and Money Market Mutual Funds, to align definition and reporting requirement with the Code.

The Proposed Fiscal Year 2025-26 Policy can be found in Attachment A, and as reference, a redlined copy of the Policy (reflecting all proposed changes, including minor adjustments) can be found in Attachment B.

Next Steps

If the Board approves the Proposed Fiscal Year 2025-26 Policy, a copy of the final Policy will be provided to each portfolio manager. Each portfolio manager will be required to acknowledge receipt and understanding of the Policy changes.

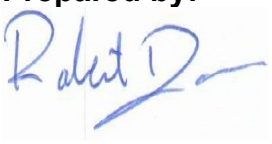
Summary

California Government Code Section 53646(a)(2) recommends that local agencies annually review their Investment Policy at a public meeting. The Treasurer is submitting the Orange County Transportation Authority's Proposed Fiscal Year 2025-26 Investment Policy for approval by the Board of Directors. Further, the Orange County Transportation Authority requests approval by the Board of Directors, authorizing the Treasurer, for a period of one year, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2025-26.

Attachments

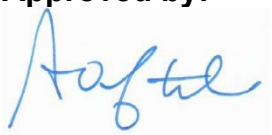
A. Orange County Transportation Authority Proposed Fiscal Year 2025-26 Investment Policy, July 1, 2025
B. Redlined Copy of Orange County Transportation Authority Proposed Fiscal Year 2025-26 Investment Policy, July 1, 2025

Prepared by:



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Treasury/Public Finance
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Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649

ATTACHMENT A

Orange County Transportation Authority
Fiscal Year 2025-26 Investment Policy
July 1, 2025

1. PURPOSE

This Investment Policy (Policy) sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA). The objective of this Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity, and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Policy. The Policy conforms to the California Government Code (Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Policy and adhered to.

2. SCOPE

The Policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, Environmental Mitigation Program Endowment Fund, and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

A. **Safety of Principal --** Safety of principal is the foremost objective of OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.

B. **Liquidity --** It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.

C. **Total Return --** OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.

D. **Diversification --** Finally, OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

4. PRUDENCE

OCTA's Board, or persons authorized to make investment decisions on behalf of OCTA, are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with the Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

5. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

6. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

7. RESPONSIBILITIES

The Finance and Administration (F&A) Committee of the OCTA Board, subject to the approval of the OCTA Board, is responsible for establishing the Policy and ensuring investments are made in compliance with this Policy. This Policy shall be reviewed annually by the Board at a public meeting.

The Treasurer is responsible for making investments and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board. OCTA provides a monthly report to the F&A Committee and the Board in accordance with Section 53607 of the Code

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

8. COMPLIANCE

OCTA has provided each of its portfolio managers with a copy of this Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the F&A Committee and the Board.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Policy.

If OCTA's Treasurer, in their sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the F&A Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chairman of the F&A Committee and the Treasurer as soon as practical at which time it will be decided whether the Board will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Policy, the Treasurer shall notify the Board of the compliance violations. OCTA may terminate services for its convenience at any time by providing at least 30 days written notice.

9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, OCTA uses four nationally recognized fixed-income security performance benchmarks to evaluate return on investments.

The Intercontinental Exchange (ICE)/Bank of America Merrill Lynch (BAML) 1-3-year Treasury Index, the ICE/BAML 1–3-year AAA-A U.S. Corporate and Government Index, the ICE/BAML 1-5 year Treasury Index, and the ICE/BAML 1-5 year AAA-A United States (U.S.) Corporate and Government Index benchmarks are used for OCTA's short-term portfolios.

10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

11. PERMITTED INVESTMENTS

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment.

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Policy. If a security held in OCTA's portfolio is subsequently placed on "Negative Credit Watch" (Credit Watch) by any of the three primary Nationally Recognized Statistical Rating Organizations (NRSROs), S&P Global Ratings, Moody's Investors Service, Inc., or Fitch Ratings, Inc, or if a security on Credit Watch is purchased in accordance with this Policy, it shall be addressed under the provisions outlined in the Credit Rating Actions section. Percentage holding limits and credit quality minimums in this section apply at the time of purchase.

11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency, or authority of OCTA, which may bear interest at a fixed or floating rate.

11-2. U.S. TREASURY OBLIGATIONS

U.S. Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

B. Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency, or authority of the local agency.

C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

D. Defeased state and local obligations (as defined in A, B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet all of the following conditions in paragraph A or B:

A. Is organized and operating in the U.S. as a general corporation; has total assets in excess of five hundred million dollars ($500,000,000); has debt other than commercial paper, if any, that is rated in the ratings category of A or its equivalent or higher by two NRSROs.

B. Is organized within the U.S. as a special purpose corporation, trust, or LLC; has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; has commercial paper that is rated “A-1” or higher, or the equivalent, by two NRSRO’s.

11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the Federal Deposit Insurance Corporation (FDIC) provided:

A. A Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and

B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits of not less than $50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and

C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and

D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

11-9. MEDIUM-TERM NOTES

Medium-term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S.

11-10. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are mutual funds or money market mutual funds, registered with the Securities and Exchange Commission under the Investment Company Act of 1940, are permitted investments under this Policy, provided that:

A. The fund has attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

B. The purchase price of shares does not include any commission or sales charge.

C. The total investment in mutual funds and money market mutual funds combined shall not exceed 20 percent of the agency's total portfolio. However, no more than ten percent of the agency's total portfolio may be invested in any one mutual fund. This limitation does not apply to money market mutual funds

11-11. MORTGAGE OR ASSET-BACKED SECURITIES (NON-AGENCY)

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass- through certificate, or consumer receivable-backed bond.

Mortgage and asset-backed securities issued or guaranteed by the U.S., its federal agencies and/or government-sponsored enterprises are exempt when calculating the 20 percent maximum portfolio exposure to mortgage and asset-backed securities.

11-12. SUPRANATIONALS

U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Code Sections 53600 et seq. and 53630 et seq.

11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of Code Sections 53600 through 53610 and Section 53630.

11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or Secured Overnight Financing Rate (SOFR), and must meet all minimum credit requirements previously detailed in the Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under Code Section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits, as specified under Code Section 53649.

11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation. Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the F&A Committee prior to entering into such investment.

Credit Rating Actions

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating is on Credit Watch at the time of purchase, has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Policy.

For any security, whose credit rating falls below the minimum required rating as per the California Code and the Policy or placed on Negative Credit Watch for imminent downgrade to below the minimum required ratings, the Treasurer will make the decision whether to continue to retain or sell the security. For all other security rating downgrades, and for securities placed on Negative Credit Watch, the decision to retain or sell the security will be left to the investment manager, and OCTA will be notified immediately of the decision along with rationale regarding

the decision to retain or sell.

OCTA will notify the Board through its monthly reporting practices of all securities on Credit Watch at the time of purchase, placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

Diversification and Maturity Restrictions

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS

Authorized Investments, Issuer Concentration and Maturity Restrictions					
Type of Investment	**CA Code Maximum Maturity**	**CA Code Maximum % of Portfolio**	**CA Code Minimum Quality Requirements**	**OCTA Maximum % of Portfolio***	**OCTA Code Minimum Quality Requirements**
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agencies or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	270 Days	40% **	"A-1" rated, or its equivalent or higher by an NRSRO	40%**	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs

Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1"rated, or its equivalent, by 2 NRSROs
Medium-Term Notes**	5 Years	30%**	"A" rating category, or its equivalent or higher, by an NRSRO	30%**	Same as CA Code
Mutual Funds and Money Market Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities (Non-Agency)***	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	Same as CA Code	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)****	N/A	$75 million per account	None	$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

* Additional portfolio restrictions include a 5 percent limit on bank deposits and a 30 percent limit on variable and floating rate securities.
** A Combined 10 percent per issuer limit applies to commercial paper and medium-term notes pursuant to the Code. A separate 5 percent per issuer limit applies under this Policy. See the section titled Issuer/Counterparty Diversification Guidelines for all Securities Except U.S. Treasuries and U.S. Government Agency Securities for details.
*** The credit and holding limits under this section do not apply to mortgage-backed or asset backed securities that are issued or guaranteed by federal agencies or government-sponsored enterprises (GSEs).
**** The current deposit limits for the LAIF regular account are set by the California State Treasurer.

Issuer/Counterparty Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed five percent of the portfolio.

Issuer/Counterparty Diversification Guidelines for OCTA's Debt

OCTA can purchase all or a portion of the OCTA's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25 percent of the maximum portfolio.

12. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Except securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted, under a provision sunsetting on January 1, 2026,
- Step-up notes and dual-index notes are prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending, or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.
- The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

13. SECURITIES SAFE KEEPING

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safekeeping receipts and in compliance with Code Section 53608.

14. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify, at the outset of their engagement, that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Policy.

15. INVESTMENT POLICY REVIEW

This Policy shall be reviewed annually by the F&A Committee of the OCTA Board to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification, and its relevance to current law and economic trends.

16. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle (SPV) and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as X.YZ percent, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an investment agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as “interest rate.”

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers’ acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that determines the direction of monetary policy. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the two Federal Reserve banks and about 3,000-member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSROs): Firms designated by the U.S. Securities and Exchange Commission (SEC) to evaluate the

creditworthiness of debt issuers and express their opinions in the form of standardized letter ratings (e.g. AAA, AA, A, BBB, etc.). The three primary NRSROs referenced by OCTA are Standard & Poor's Global Ratings, Moody's Investors Services, Inc., and Fitch Ratings, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets, which includes securities, cash, and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITES & EXCHANCE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

SUPRANATIONAL: A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from 10 to 30 years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

VOLATILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

ATTACHMENT B

Orange County Transportation Authority
Fiscal Year ~~2024-25~~2025-26 Investment
Policy July 1, ~~2024~~2025

1. PURPOSE

This Investment Policy (Policy) sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA). The objective of this Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity, and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Policy. The Policy conforms to the California Government Code (Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

2. SCOPE

The Policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, Environmental Mitigation Program Endowment Fund, and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

A. **Safety of Principal --** Safety of principal is the foremost objective of OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.

B. **Liquidity --** It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.

C. **Total Return --** OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.

D. **Diversification --** Finally, OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

4. PRUDENCE

OCTA's Board, or persons authorized to make investment decisions on behalf of OCTA, are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with the Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

5. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

6. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

7. RESPONSIBILITIES

The Finance and Administration (F&A) Committee of the OCTA Board, subject to the approval of the OCTA Board, is responsible for establishing the Policy and ensuring investments are made in compliance with this Policy. This Policy shall be reviewed annually by the Board at a public meeting.

The Treasurer is responsible for making investments and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board. OCTA provides a monthly report to the F&A Committee and the Board in accordance with Section 53607 of the Code

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

8. COMPLIANCE

OCTA has provided each of its portfolio managers with a copy of this Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the F&A Committee and the Board.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Policy.

If OCTA's Treasurer, in their sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the F&A Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chairman of the F&A Committee and the Treasurer as soon as practical at which time it will be decided whether the Board will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Policy, the Treasurer shall notify the Board of the compliance violations. OCTA may terminate services for its convenience at any time by providing at least 30 days written notice.

9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, OCTA uses four nationally recognized fixed-income security performance benchmarks to evaluate return on investments.

The Intercontinental Exchange (ICE)/Bank of America Merrill Lynch (BAML) 1-3-year Treasury Index, the ICE/BAML 1–3-year AAA-A U.S. Corporate and Government Index, the ICE/BAML 1-5 year Treasury Index, and the ICE/BAML 1-5 year AAA-A United States (U.S.) Corporate and Government Index benchmarks are used for OCTA's short-term portfolios.

10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

11. PERMITTED INVESTMENTS

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board ~~of Directors~~ must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment.

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Policy. If a~~n eligible~~ security ~~already contained~~held in OCTA's portfolio is subsequently placed on "Negative Credit Watch" (Credit Watch) by any of the three primary Nationally Recognized Statistical Rating Organizations (NRSROs), S&P Global Ratings, Moody's Investors Service, Inc., or Fitch Ratings, Inc, or if a ~~purchase is made of a~~ security ~~already~~ on Credit Watch is purchased in accordance with this Policy, ~~by any of the three NRSROs, which is permitted under this Policy, then the security will be handled~~ it shall be addressed under the provisions ~~of~~ outlined in the Credit Rating Actions section. Percentage holding limits and credit quality minimums in this section ~~are applicable~~apply at the time of purchase.

11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency, or authority of OCTA, which may bear interest at a fixed or floating rate.

11-2. U.S. TREASURY OBLIGATIONS

U.S. ~~nited States~~ Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

B. Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency, or authority of the local agency.

C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

D. Defeased state and local obligations (as defined in A, B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet all of the following conditions in paragraph A or B:

A. Is~~Be~~ organized and operating in the U.S. as a general corporation; has total assets in excess of five hundred million dollars ($500,000,000); has~~issued by corporations that have~~ debt other than commercial paper, if any, that is rated in the ratings category of A or its

equivalent or higher by two NRSROs.

B. , Is or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC; , hasve program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; has , and have commercial paper that is rated “A-1” or higher, or the equivalent, by two NRSRO’s.

A. Be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000).

11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank ~~or state~~, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state- licensed branch of a foreign bank.

11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the Federal Deposit Insurance Corporation (FDIC) provided:

A. A Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and

B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits of not less than $50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and

C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and

D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

11-9. MEDIUM-TERM NOTES

Medium-term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S.~~nited States~~ or any state and operating within the U.S.~~nited States.~~

11-10. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are mutual funds or money market mutual funds, registered with the Securities and Exchange Commission under the Investment Company Act of 1940, are permitted investments under this Policy, provided that:

A. The fund has attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

B. The purchase price of shares does not include any commission or sales charge.

~~A.~~C. ~~. Shares may not represent more than 10 percent of the funds or pool's asset and no more than 10 percent of the total portfolio may be invested in shares of any one money market mutual fund.~~The total investment in mutual funds and money market mutual funds combined shall not exceed 20 percent of the agency's total portfolio. However, no more than 10 percent of the agency's total portfolio may be invested in any one mutual fund. This limitation does not apply to money market mutual funds

11-11. MORTGAGE OR ASSET-BACKED SECURITIES (NON-AGENCY)

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass- through certificate, or consumer receivable-backed bond.

Mortgage and asset-backed securities issued or guaranteed by the U.S.~~nited States~~, its federal agencies and/or government-sponsored enterprises are exempt when calculating the
20% maximum portfolio exposure to mortgage and asset-backed securities.

11-12. SUPRANATIONALS

U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the

investment requirements detailed in ~~Government~~ Code Sections 53600 et seq. and 53630 et seq.

11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to ~~Government~~ Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of ~~Government~~ Code Sections 53600 through 53610 and Section 53630.

11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the ~~Investment~~ Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under ~~Government~~ Code Section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits, as specified under Code Section 53649.~~.~~

11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation. Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the F&A Committee prior to entering into such investment.

Credit Rating Actions

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating is on Credit Watch at the time of purchase, has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's ~~Investment~~ Policy.

For any security, whose credit rating falls below the minimum required rating as per the California ~~Government~~ Code and the Policy or placed on Negative Credit Watch for imminent downgrade to below the minimum required ratings, the Treasurer will make the decision whether to continue to retain or sell the security. For all other security rating downgrades, and for securities placed on Negative Credit Watch, the decision to retain or sell the security will be left to the investment manager, and OCTA will be notified immediately of the decision along with rationale regarding the decision to retain or sell.

OCTA will notify the Board through its monthly reporting practices of all securities on Credit Watch at the time of purchase, placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

Diversification and Maturity Restrictions

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS

Authorized Investments, Issuer Concentration and Maturity Restrictions					
Type of Investment	**CA Code Maximum Maturity**	**CA Code Maximum % of Portfolio**	**CA Code Minimum Quality Requirements**	**OCTA Maximum % of Portfolio***	**OCTA Code Minimum Quality Requirements**
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agency~~ie~~'s or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs

Commercial Paper	270 Days	40% **	"A-1" rated, or its equivalent or higher by an NRSRO	40%**	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs
Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1"rated, or its equivalent, by 2 NRSROs
Medium-Term Notes**	5 Years	30%**	"A" rating category, or its equivalent or higher, by an NRSRO	30%**	Same as CA Code
Mutual Funds and Money Market /Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of fund's assets, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities (Non-Agency)***	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	Same as CA Code	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)****	N/A	$75 million per account	None	$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

* Additional portfolio restrictions include a 5 percent limit on bank deposits (5 percent) and a 30 percent limit on variable and floating rate securities. (30 percent)

** A Combined 10 percent per issuer limit applies toon commercial paper and medium-term maturity notes pursuant to the Code. A separate Five 5 percent per issuer limit in any one issuer pursuant toapplies under this Policy. , sSee the section titled Issuer/Counterp-Party Diversification Guidelines for all Securities Except U.S. Treasuries and U.S. Government Agency Securities hereinfor details.

*** "The credit and holding limits under this section do not apply to mortgage-backed or asset backed securities that are issued or guaranteed by by the U.S. Treasury, or by Ffederal aAgencies andor /or government-sponsored enterprises

(GSEs)."
**** The current deposit limits for the LAIF regular account are set by the California State Treasurer.

Issuer/Counterp-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed five percent of the portfolio.

Issuer/Counterp-Party Diversification Guidelines for OCTA's Debt

OCTA can purchase all or a portion of the OCTA's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25 percent of the maximum portfolio.

12. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with ~~Government~~ Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Except securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted, under a provision sunsetting on January 1, 2026,
- Step-up notes and dual-index notes are prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending, or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.
- The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

13. SECURITIES SAFE KEEPING

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safekeeping receipts and in compliance with Code Section 53608.

14. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify, at the outset of their engagement, that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Policy.

15. INVESTMENT POLICY REVIEW

This Policy shall be reviewed annually by the F&A Committee of the OCTA Board to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification, and its relevance to current law and economic trends.

16. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle (SPV) and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as X.YZ percent, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an investment agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as “interest rate.”

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers’ acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that determines the direction of monetary policy. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the two Federal Reserve banks and about 3,000-member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized

Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO~~'~~s): Firms designated by the U.S. Securities and Exchange Commission (SEC) to evaluate ~~that review~~ the creditworthiness of debt ~~the~~ issuers ~~of debt securities,~~ and express their opinions in the form of standardized letter ratings (e.g. AAA, AA, A, BBB, etc.). The three primary NRSROs~~rating agencies~~ referenced by OCTA are~~include~~ Standard & Poor's Global Ratings, ~~;~~ Moody's Investors Services, Inc., and Fitch Ratings, Inc. ~~and Kroll Bond Rating Agency, Inc.~~

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets, which includes securities, cash, and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot

be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITES & EXCHANCE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

SUPRANATIONAL: A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from 10 to 30 years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

VOLATILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: State Legislative Status Report

Legislative and Communications Committee Meeting of May 15, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and Wagner
Absent: Director Jung

Committee Vote

This item was passed by the Members present.

Director Nguyen abstained on Recommendation A.

Committee Recommendation(s) ***(Reflects a change from staff's recommendation) Recommendation C was added.***

A. Adopt the proposed Principles for Cap-and-Trade Revenue Distribution Legislation and direct staff to take necessary and appropriate actions to inform and respond to legislative proposals.

B. Adopt a SUPPORT position on AB 986 (Muratsuchi, D-Torrance), which would expand the definition of events qualifying for a state or local emergency to include landslides and preexisting climate conditions.

C. Adopt an OPPOSE position on SB 741 (Blakespear, D-Encinitas), consistent with the Fiscal Year 2025-2026 Orange County Transportation Authority State Legislative Platform.

OCTA

May 15, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: State Legislative Status Report

Overview

The Orange County Transportation Authority provides regular updates to the Legislative and Communications Committee on policy issues directly impacting its overall programs, projects, and operations. This report includes proposed principles for the reauthorization of the cap-and-trade program, a recommended position on legislation that would expand the definition of events qualifying for a state or local emergency, a summary on legislation supported by the Orange County Transportation Authority that would improve the state's permitting process for outdoor advertising displays along newly aligned highways, and a summary on a hearing pertaining to the Greenhouse Gas Reduction Fund. A verbal update on the fiscal year 2025–26 state budget proposal will be provided when this report is presented.

Recommendations

A. Adopt the proposed Principles for Cap-and-Trade Revenue Distribution Legislation and direct staff to take necessary and appropriate actions to inform and respond to legislative proposals.

B. Adopt a SUPPORT position on AB 986 (Muratsuchi, D-Torrance), which would expand the definition of events qualifying for a state or local emergency to include landslides and pre-existing climate conditions.

Discussion

Principles for Cap-and-Trade Reauthorization Legislation

The cap-and-trade program was established through state legislation as part of California's broader efforts to manage greenhouse gas emissions. The program originated with AB 32 (Chapter 488, Statutes of 2006), also known as the Global Warming Solutions Act of 2006. This law directed the California Air Resources Board (CARB) to implement strategies to reduce statewide emissions to 1990 levels, including the use of market-based mechanisms such as cap-and-trade.

Pursuant to AB 32, the program was initiated by CARB in 2012 through regulation but was scheduled to sunset in 2020. However, in 2017 the program was extended with AB 398 (Chapter 135, Statutes of 2017), which authorized CARB to continue operating cap-and-trade through 2030. This bill passed by a two-thirds vote of the Legislature.

Revenue generated through the sale of emissions allowances is deposited into the Greenhouse Gas Reduction Fund (GGRF), which supports a variety of programs throughout the State. While the primary purpose of the cap-and-trade program is to support emissions reductions, it also serves as a critical funding source for public transportation infrastructure and operations. The Orange County Transportation Authority (OCTA) has secured funding from the Transit and Intercity Rail Capital Program (TIRCP) to support major projects including the OC Streetcar and projects to protect the coastal rail corridor. Additionally, OCTA utilizes the Low Carbon Transit Operations Program (LCTOP) to implement the Youth Ride Free initiative, which expands access to transit for young residents across the county.

Given cap-and-trade is set to expire in 2030, the Governor and legislative leadership have recently signaled their intent to reach an agreement on the program's long-term structure during this legislative session. These discussions create an important opportunity for OCTA to help inform policy decisions that may impact how funding is distributed under the program, if it is reauthorized. To support this engagement, staff have developed a set of principles, included as Attachment A, to guide OCTA's participation in discussions surrounding the future of revenue distribution under any cap-and-trade program. These principles are intended to help inform legislative and administrative stakeholders while ensuring OCTA's priorities are clearly represented. They focus on protecting access to established transit funding sources, improving administrative efficiency, and promoting equitable distribution of funds across all regions through formula programs.

Specifically, the principles advocate for the continuation of key programs such as TIRCP and LCTOP. The recommended principles also support efforts to simplify program requirements and streamline funding processes to improve project delivery timelines and reduce administrative burden. In addition, the principles encourage the use of Cap-and-Trade revenues to help transit agencies comply with state zero-emission vehicle requirements, and recognize the importance of addressing local infrastructure needs, including climate adaptation projects along vulnerable segments of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor impacted by coastal erosion and sea-level rise.

While these principles do not endorse specific legislation, they are intended to shape and support OCTA's engagement as proposals develop and to ensure the agency is positioned to advocate for continued investment in regionally significant transportation solutions. This action is consistent with OCTA's

2025-26 State Legislative Platform principle to "Monitor efforts related to extending the State's cap-and-trade program while ensuring that funding for regional transportation projects and programs are maintained."

AB 986 (Muratsuchi, D-Torrance): State of emergency and local emergency: landslides and climate change.

AB 986 would expand the circumstances under which a state or local emergency may be declared by explicitly including landslides and preexisting conditions exacerbated by climate change among qualifying events. Current law authorizes declarations of emergency when disasters or extreme perils threaten public safety, but the list of qualifying conditions does not specifically mention landslides or the worsening impacts of climate change. By formally recognizing these threats, AB 986 ensures that communities facing climate-related disasters, such as those triggered by unstable terrain or intensified coastal erosion, can more readily access emergency powers and assistance. The bill strengthens the ability of state and local governments to respond swiftly and decisively to emerging environmental hazards that require coordinated regional action.

AB 986 is particularly relevant to Orange County, where climate-driven landslides have repeatedly disrupted the LOSSAN Rail Corridor – an essential passenger and freight route along the coast. Since 2021, OCTA has been forced to respond to multiple emergencies that have closed the rail line for extended periods of time. These responses have included OCTA twice declaring an emergency and invest over $37 million in stabilization efforts following landslides at Cyprus Shore, Casa Romantica, and Mariposa Point. These disruptions have suspended service for over a year cumulatively, impacted eight million annual passengers, resulting in $14 million in losses for the LOSSAN Rail Corridor Agency. Despite securing $305 million in state and federal funding for long-term resiliency, OCTA's progress was delayed by regulatory challenges. AB 986 would clarify that landslides and worsening climate conditions qualify as emergencies, enabling agencies like OCTA to act more quickly to prevent future disruptions and safeguard public infrastructure.

This legislation is sponsored by the City of Rancho Palos Verdes. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principle to "Seek support for adaptation and resiliency efforts related to the environment for critical transportation infrastructure." A thorough analysis and copy of the text of this legislation is included as Attachment B.

SB 364 (Strickland, R-Huntington Beach): Outdoor advertising displays: permits: new alignments.

SB 364 would streamline the permitting process for outdoor advertising displays by requiring the California Department of Transportation (Caltrans) to process permit applications once a highway segment is open for public use. Under current practice, Caltrans does not review advertising permit applications until an entire highway project is officially accepted as complete, even if portions of the highway

are already open and operational. This bill would prohibit Caltrans from delaying or denying permit applications for outdoor advertising displays along newly opened highway segments, regardless of whether the full project has reached formal acceptance.

This policy change is particularly relevant to Orange County, where cities have experienced challenges placing signage along newly opened highway segments due to delays in project acceptance. For example, segments of major transportation improvements like those along Interstate 405 have been open to traffic, but advertising permit applications have remained pending because the project had not yet reached formal completion.

These delays can hinder public awareness and commercial activity around new infrastructure and delay important revenue sources for local cities. SB 364 provides greater alignment between infrastructure delivery and regulatory procedures, ensuring that the placement of advertising displays does not fall behind public access to the roadway. Importantly, the bill maintains existing safety and operational requirements while reducing unnecessary procedural delays.

Consistent with the principle outlined in OCTA's 2025-26 State Legislative Platform principle to: "Support streamlined environmental review and permitting processes for transportation projects and programs to avoid potentially duplicative and unnecessary analysis, while still maintaining traditional environmental protections," a SUPPORT position has been taken on SB 364. OCTA's letter of support for SB 364 is included as Attachment C. The text of the bill is included as Attachment D.

Summary of Informational Hearing on the History and Future of the Greenhouse Gas Reduction Fund

On April 30, 2025, the Assembly Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation held an informational hearing on the GGRF, supported by revenues from California's cap-and-trade program. The hearing focused on the fund's structure, effectiveness, and how it might be reshaped ahead of the program's potential reauthorization. Chair Bennett opened the hearing by reaffirming that GGRF should remain centered on reducing emissions and helping communities adapt to climate change. While acknowledging the Legislature's flexibility in spending these revenues, he cautioned against using the fund for purposes unrelated to climate and stressed the need to protect its core mission.

Testimony from the Legislative Analyst's Office (LAO) emphasized that two-thirds of GGRF revenues are continuously appropriated by statute, including for transit purposes, limiting annual budgetary oversight. The LAO recommended

that the Legislature revisit these ongoing commitments to ensure funding remains aligned with current policy goals. Testimony from Dr. Kyle Meng of UC Santa Barbara and Dr. Danny Cullenward of University of Pennsylvania echoed this call, urging lawmakers to reassess long-standing allocations, improve revenue predictability, and target investments toward under-supported technologies like carbon removal and grid storage.

Committee members expressed particular concern about the effectiveness and transparency of GGRF expenditures. Chair Bennett raised questions about whether programs like the TIRCP and the LCTOP should continue receiving automatic funding, emphasizing the need to prioritize operations and maintenance for existing transit systems. Assembly Member Petrie-Norris added that legacy allocations, such as the significant share currently directed to high-speed rail, should be re-evaluated, and stressed the importance of funding projects that are innovative, measurable, and capable of delivering scalable climate impact. Representatives from the California State Transportation Agency and Caltrans responded by outlining program safeguards and compliance requirements, while acknowledging the need for timely implementation and reporting.

The hearing highlighted broad agreement on the need to strengthen legislative oversight, revisit continuous appropriations, and ensure that GGRF remains responsive to California's evolving climate, infrastructure, and equity priorities. Further analysis and stakeholder engagement are expected as the Legislature considers future changes to the fund's structure and its role in supporting long-term climate goals.

Update on the Governor's Fiscal Year 2025-26 State Budget

The Governor's fiscal year (FY) 2025-26 budget proposal, otherwise known as the May Revision, is anticipated to be released by May 14, 2025. Due to the closeness of the release date to the submittal date of this staff report, staff were unable to conduct a full written analysis of the May Revision for inclusion in this report.

Accordingly, staff will provide a verbal update on the May Revision to the Legislative and Communications Committee, scheduled for May 15, 2025, summarizing key provisions and assessing potential impacts on transportation funding, programs, and related policy areas relevant to OCTA.

Summary

An overview of OCTA's cap-and-trade revenue principles is provided, along with a recommended position on emergency-related legislation and a summary of supported legislation about outdoor advertising permitting. Summaries are included on a Greenhouse Gas Reduction Fund hearing and the FY 2025–26 state budget proposal.

Attachments

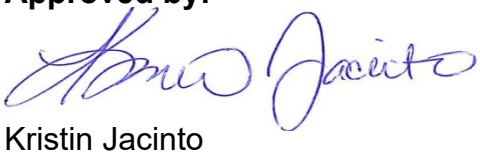
A. Orange County Transportation Authority Cap-and-Trade Principles
B. AB 986 (Muratsuchi, D-Torrance) Bill Analysis with Bill Language
C. Letter from Doug Chaffee, Chair, Orange County Transportation Authority, to the Honorable Tony Strickland, Senator, California State Senate, dated April 17, 2025, re: SB 364 (Strickland) – SUPPORT
D. SB 364 (Strickland, R-Huntington Beach) Bill Language
E. Orange County Transportation Authority Legislative Matrix

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ATTACHMENT A

Orange County Transportation Authority Cap-and-Trade Principles

- Support the continuation of existing Greenhouse Gas Reduction Fund investments in transit capital and operations programs, such as the Transit and Intercity Rail Capital Program and the Low Carbon Transit Operations Program. Oppose any proposals that would divert existing funding away from effective regional use.

- Encourage use of cap-and-trade revenues to help meet state zero-emission vehicle mandates for transit.

- Support efforts to reduce the administrative complexity of cap-and-trade programs to ensure timely and predictable distribution of funds. Streamlined processes help agencies deliver projects more efficiently and minimize overhead.

- Support a dedicated increase in cap-and-trade funding for capital projects of regional significance, with a focus on connectivity and bookend rail investments that strengthen both local and interregional infrastructure.

- Increase formula-based transit operations funding to aid in the recovery, stabilization, and expansion of transit and rail services.

- Support adjustments to the Affordable Housing and Sustainable Communities Program to ensure transportation projects receive consideration.

- Maximize formula-based distribution of cap-and-trade revenues for transportation purposes to support regional transportation needs and support locally-driven solutions to serve communities effectively.

- Support dedicated allocations of cap-and-trade revenues for projects related to climate adaptation, such as transportation projects along the Los Angeles – San Diego – San Luis Obispo Rail Corridor, particularly those addressing coastal erosion, sea-level rise, and extreme weather impacts.

BILL: AB 986 (Muratsuchi, D-Torrance)
Introduced February 20, 2025
Amended March 24, 2025

SUBJECT: AB 986 would expand the definition of events qualifying for a state or local emergency to include landslides and preexisting conditions exacerbated by climate change

STATUS: Pending in Assembly Committee on Appropriations
Passed Assembly Committee on Emergency Management (6-0)

SUMMARY AS OF APRIL 30, 2025:

AB 986 would expand the definition of events qualifying for a state or local emergency to include landslides and preexisting conditions exacerbated by climate change. Under existing law, the California Emergency Services Act outlines when emergencies can be declared but does not explicitly identify landslides or climate change impacts as qualifying conditions. AB 986 addresses this gap by ensuring that emergencies tied to environmental instability and climate-driven disasters are clearly covered under California's emergency response framework.

This bill does not create new authorities or mandates but clarifies that state and local governments have the ability to respond proactively when landslides or climate-exacerbated conditions threaten public safety, property, or critical infrastructure. This clarification would allow local agencies to access emergency resources, streamline response efforts, and coordinate more effectively across jurisdictions when facing these types of natural disasters.

EFFECTS ON ORANGE COUNTY:

Orange County's coastal region, particularly along the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor in San Clemente, has experienced repeated disruptions due to landslides worsened by climate change impacts such as sea level rise, heavy rainfall, and coastal erosion. The Orange County Transportation Authority (OCTA), which owns and maintains over 40 miles of the LOSSAN Rail Corridor in Orange County—including a vulnerable seven-mile stretch along the shoreline—has declared multiple emergencies in recent years in response to ongoing threats.

Since 2021, landslides have forced extended service suspensions and emergency stabilization work. Major incidents include track movement at Cyprus Shore in 2021 and 2022, a landslide at Casa Romantica in April 2023 that prompted construction of a 250-foot-long catchment wall, and a January 2024 landslide at Mariposa Point that damaged infrastructure and required the installation of a 200-foot wall to resume service. Despite these efforts, debris continues to accumulate behind existing barriers, and additional slides between January 2024 and 2025 signal persistent instability.

The effects of these disruptions are wide-ranging: over eight million annual passengers on Amtrak Pacific Surfliner, Metrolink, and COASTER trains are affected, along with $1 billion in freight traffic and Department of Defense military logistics. Cumulatively, rail service has been shut down for more than a year, resulting in over $14 million in lost revenue for the LOSSAN Rail Corridor Agency and $37 million in emergency response costs by OCTA. In addition to the financial impact, service unreliability has eroded public confidence in the rail system.

To address this urgent threat, OCTA completed a Coastal Rail Resiliency Study in 2023, identifying four high-risk areas in San Clemente requiring immediate reinforcement through slope stabilization, sand nourishment, and armoring. Although OCTA has secured $305 million in state and federal funds, regulatory delays—particularly around emergency permitting—have significantly hindered timely project implementation.

AB 986 directly supports Orange County's ability to respond to these threats by clarifying that landslides and climate change-induced hazards qualify as emergencies under California law. This clarification strengthens the legal foundation for emergency declarations and streamlines the ability of local agencies to obtain expedited permits, unlock emergency resources, and implement life- and infrastructure-saving measures before catastrophic failures occur. By eliminating ambiguity in emergency definitions, AB 986 enables OCTA and similar agencies to act more decisively in the face of escalating climate risks, protect critical rail infrastructure, and maintain regional mobility and economic continuity.

This legislation is sponsored by the City of Rancho Palos Verdes. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principle to "Seek support for adaptation and resiliency efforts related to the environment for critical transportation infrastructure."

OCTA POSITION:

Staff recommends: SUPPORT

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL No. 986

Introduced by Assembly Member Muratsuchi

February 20, 2025

An act to amend Section 8558 of the Government Code, relating to emergency services.

LEGISLATIVE COUNSEL'S DIGEST

AB 986, as amended, Muratsuchi. State of ~~emergency.~~ *emergency and local emergency: landslides and climate change.*

Existing law, the California Emergency Services Act, authorizes the Governor to declare a state of emergency, and local officials and local governments to declare a local emergency, when specified conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor or the appropriate local government to exercise certain powers in response to that emergency. Existing law defines 3 conditions or degrees of emergency for purposes of these provisions.

This bill would ~~make nonsubstantive changes to those provisions.~~ *additionally include a landslide and preexisting conditions exacerbated by climate change among those conditions constituting a state of emergency or local emergency.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 8558 of the Government Code is amended to read:

8558. Three conditions or degrees of emergency are established by this chapter:

(a) "State of war emergency" means the condition that exists immediately, with or without a proclamation by the Governor, whenever this state or nation is attacked by an enemy of the United States, or upon receipt by the state of a warning from the federal government indicating that an enemy attack is probable or imminent.

(b) "State of emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions, including air pollution, fire, flood, storm, epidemic, riot, drought, *landslide,* cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, *or preexisting conditions exacerbated by climate change,* or other conditions, other than conditions resulting from a labor controversy or conditions causing a "state of war emergency," that by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the Public Utilities Commission.

(c) (1) "Local emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by conditions, including air pollution, fire, flood, storm, epidemic, riot, drought, *landslide,* cyberterrorism, sudden and severe energy shortage, deenergization event, electromagnetic pulse attack, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, *or preexisting conditions exacerbated by climate change,* or other conditions, other than conditions resulting from a labor controversy, that are or are likely to be beyond the control

of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage or deenergization event that requires extraordinary measures beyond the authority vested in the Public Utilities Commission.

(2) A local emergency proclaimed as the result of a deenergization event does not trigger the electric utility obligations set forth in Public Utilities Commission Decision 19-07-015 or its successor decisions as related to deenergization events. A local emergency proclaimed as the result of a deenergization event does not alter the electric utilities' Public Utilities Commission-approved cost-recovery mechanisms for their own costs associated with deenergization events.

ATTACHMENT C

AFFILIATED AGENCIES

Orange County Transit District

Local Transportation Authority

Service Authority for Freeway Emergencies

Consolidated Transporation Service Agency

Congestion Management Agency

April 17, 2025

The Honorable Tony Strickland
California State Senate
1021 O Street, Suite 6730
Sacramento, California 95814

Subject: **SB 364 (Strickland)** – **SUPPORT**

Dear Senator Strickland:

The Orange County Transportation Authority (OCTA) Board of Directors is pleased to support SB 364, which would improve the state's permitting process for outdoor advertising displays along newly aligned highways. The bill offers thoughtful clarification that supports more efficient coordination between infrastructure delivery and permitting timelines.

Under current regulations, the California Department of Transportation (Caltrans) is not required to process applications for advertising displays along a new highway alignment until the project is officially accepted as complete. However, many highway segments open to the public for vehicular travel well before final project acceptance occurs. This gap between public use and permit eligibility can create avoidable delays in placing signage, even when the roadway is fully operational.

SB 364 provides a practical solution by requiring Caltrans to process permit applications once a highway segment is open for public use, regardless of whether the overall project has reached formal completion. Some cities in Orange County have encountered delays under current practice when seeking to place signage along newly opened highway segments, despite those segments already serving the public. This bill helps address those concerns by ensuring that existing infrastructure is not hindered by procedural timing issues. OCTA views this legislation as a reasonable step toward aligning policy with practice while preserving all relevant safety and operational standards.

A SUPPORT position aligns with OCTA's 2025-26 State Legislative Platform principle to "support streamlined environmental review and permitting processes for transportation projects and programs to avoid potentially duplicative and unnecessary analysis, while still maintaining traditional environmental protections."

If you or your staff have any questions, please contact Kristin Jacinto, Executive Director of Government Relations, at (714) 560-5754 or kjacinto@octa.net.

Sincerely,



Doug Chaffee
Chair

DC:cb

c: Members, Orange County State Legislative Delegation
Darrell E. Johnson, Chief Executive Officer
Topp Strategies

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL No. 364

Introduced by Senator ~~Jones~~ *Strickland*

February 13, 2025

~~An act to amend Section 101.6 of the Business and Professions Code, relating to professions and vocations.~~ *An act to add Section 5367 to the Business and Professions Code, relating to outdoor advertising.*

LEGISLATIVE COUNSEL'S DIGEST

SB 364, as amended, ~~Jones~~ *Strickland*. ~~Professions and vocations.~~ *Outdoor advertising displays: permits: new alignments.*

The Outdoor Advertising Act regulates placement of advertising displays adjacent to and within specified distances of highways that are part of the national system of interstate and defense highways and federal-aid highways. The act prohibits a person, as defined, from placing an advertising display within the areas affected by the act without a permit. The act authorizes the Director of Transportation to adopt regulations for the enforcement of the act. Pursuant to that authority, existing regulations only require the Department of Transportation to process an application for placing a new advertising display along a new alignment of an interstate or primary highway if the application is accepted on or after the date that the department accepts the highway project for the new alignment as complete.

This bill would prohibit the department from denying or delaying the approval of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted as complete if the portion of highway is open to the use of the public for vehicular travel.

~~Under existing law, the Department of Consumer Affairs is composed of various boards, bureaus, and commissions that license and regulate the practice of various professions and vocations.~~

~~Existing law provides that these entities are established to ensure that those private businesses and professions deemed to engage in activities that have potential impact upon the public health, safety, and welfare are adequately regulated to protect the people of California, as prescribed.~~

~~This bill would make nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 5367 is added to the Business and Professions Code, immediately following Section 5366, to read:

5367. The department shall not deny or delay the approval of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted by the department as complete if the portion of highway is open to the use of the public for vehicular travel.

~~SECTION 1. Section 101.6 of the Business and Professions Code is amended to read:~~

~~101.6. (a) The boards, bureaus, and commissions in the department are established to ensure that those private businesses and professions deemed to engage in activities that have potential impact upon the public health, safety, and welfare are adequately regulated to protect the people of California.~~

~~(b) To this end, the boards, bureaus, and commissions establish minimum qualifications and levels of competency and license persons desiring to engage in the occupations they regulate upon determining that those persons possess the requisite skills and qualifications necessary to provide safe and effective services to the public, or register or otherwise certify persons in order to identify practitioners and ensure performance according to set and accepted professional standards. They provide a means for redress of grievances by investigating allegations of unprofessional conduct, incompetence, fraudulent action, or unlawful activity brought to their attention by members of the public and institute~~

~~disciplinary action against persons licensed or registered under this code when that action is warranted. In addition, they conduct periodic checks of licensees, registrants, or otherwise certified persons in order to ensure compliance with the relevant sections of this code.~~

Orange County Transportation Authority Legislative Matrix

2025 State Legislation Session
May 15, 2025

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
BILLS WITH POSITIONS			
►AB 334 (Petrie-Norris – D) Operators of toll facilities: interoperability programs: vehicle information	Would authorize operators of toll facilities on federal-aid highways engaged in an interstate interoperability program to provide only the information regarding a vehicle's use of the toll facility that is intended to implement interstate interoperability.	**INTRODUCED:** 01/28/25 **LOCATION:** Assembly Committee on Privacy and Consumer Protection **HEARING:** *05/06/25* **STATUS:** 03/25/25 In ASSEMBLY. Re-referred to Committee on Privacy and Consumer Protection	Support Support: Transportation Corridor Agencies (sponsor), Metropolitan Transportation Commission (MTC), Orange County Business Council, San Bernardino County Transportation Authority

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**AB 394 (Wilson – D)** Public transportation providers.	Expands battery protections to all public transportation employees and clarifies that transit agencies and *their legal representatives* can seek *temporary* restraining orders in cases of workplace violence, harassment, or threats.	**INTRODUCED:** 02/03/25 **LOCATION:** *Assembly Committee on Appropriations* **HEARING:** *04/30/25* **STATUS:** *04/24/25* *In ASSEMBLY. Referred to Committee on Appropriations.*	Support (partial list) Support: California Transit Association (CTA) (co-sponsor), California Conference Board of the Amalgamated Transit Union (co-sponsor), California Teamsters Public Affairs Council, California Association for Coordinated Transportation (CALACT) Oppose: ACLU California Action, Los Angeles County Public Defenders Association
►**AB 986 (Muratsuchi – D)** *State of emergency and local emergency: landslides and climate change.*	*Expands the definition of events qualifying for a state or local emergency to include landslides and preexisting conditions exacerbated by climate change.*	**INTRODUCED:** *02/21/25* **LOCATION:** *Assembly Appropriations Committee* **STATUS:** *04/29/25* *In ASSEMBLY. Referred to Committee on Appropriations.*	*STAFF RECOMMENDS SUPPORT* *Support: City of Rancho Palos Verdes (sponsor), League of California Cities, County Sanitation Districts of Los Angeles County*

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**AB 1070 (Ward – D)** Transit districts: governing boards: compensation: nonvoting members	Would require the governing board of a transit district to include two nonvoting members and four alternate nonvoting members. The bill would authorize the chair of the governing board of a transit district to exclude these nonvoting members from meetings discussing negotiations with labor organizations.	**INTRODUCED:** 03/17/25 **LOCATION:** Assembly Committee on Local Government **STATUS:** *04/23/25* *In ASSEMBLY. Hearing canceled at the request of author.*	Oppose (partial list) Oppose: CTA, Los Angeles County Metropolitan Transportation Authority (LA Metro), CALACT, *Long Beach Transit, California Special Districts Association,* *Support: Move LA, Streets for All, California Teamsters Public Affairs Council*
►**SB 71 (Wiener – D)** California Environmental Quality Act: exemptions: transit projects.	Creates the indefinite extension of existing California Environmental Quality Act exemptions for certain transportation-related projects, including transit operational changes, public transit service improvements, and infrastructure for zero-emission transit vehicles, while mandating that lead agencies determine project eligibility for these exemptions.	**INTRODUCED:** 01/14/25 **LOCATION:** *Senate Appropriations Suspense File* **STATUS:** *04/28/25* *In SENATE. April 28 hearing: Placed on Appropriations suspense file.*	Support (partial list) Support: CTA (co-sponsor), SPUR (co-sponsor), Bay Area Council (co-sponsor), LA Metro, MTC

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**SB 364 (Strickland – R)** *Outdoor advertising displays: permits: new alignments.*	*Would streamline the permitting process for outdoor advertising displays along newly aligned highways.*	**INTRODUCED:** 02/13/2025 **LOCATION:** *Senate Committee on Appropriations* **STATUS:** *04/29/25* *In SENATE. Referred to Committee on Appropriations.*	*Support* *Support: California State Outdoor Advertising Association, League of California Cities, City of Fountain Valley*
►**SB 741 (Blakespear – D)** Coastal resources: coastal development permit: *exemption: Los Angeles – San Diego – San Luis Obispo Rail Corridor.*	*Would expand the existing exemption from the California Coastal Act's coastal development permitting process to include certain emergency projects undertaken, carried out, or approved by a public agency to maintain, repair, or restore existing railroad track along the Los Angeles – San Diego – San Luis Obispo Rail Corridor.*	**INTRODUCED:** 02/21/25 **LOCATION:** *Senate Committee on Appropriations* **HEARING:** *05/05/25* **STATUS:** *04/25/25* *In SENATE. Referred to Committee on Appropriations.*	Support *if amended* Support: County of Orange, Association of California Cities Orange County, Metrolink *Support if amended: Supervisor Katrina Foley, Vice-Chair of the Orange County Board of Supervisors* *Oppose: Sierra Club California*

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**SB 752 (Richardson – D)** Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.	Would extend tax exemption on retailers for specified zero-emission technology transit buses until January 1, 2028.	**INTRODUCED:** 02/21/25 **LOCATION:** Senate Committee on Revenue and Taxation **HEARING:** *05/14/25* **STATUS:** 03/18/25 In SENATE. Referred to Committee on Revenue & Taxation.	Support Support: CTA (sponsor), Alameda-Contra Costa Transit District

BILLS BEING MONITORED

AB 10 (**Essayli, **) **California Coastal Commission: consistency determinations: Vandenberg Space Force Base.**

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Coastal Act of 1976 provides for the regulation of development of certain lands within the coastal zone, as defined. Under the act, the California Coastal Commission generally has primary responsibility for the implementation of the act and is designated as the state coastal zone planning and management agency for any and all purposes, and is authorized to exercise any and all powers set forth in the federal Coastal Zone Management Act of 1972 or any other federal act that relates to the planning or management of the coastal zone. Current federal law requires federal agency activity within or outside the coastal zone that affects any land or water use or natural resource of the coastal zone to be carried out in a manner that is consistent to the maximum extent practicable with the enforceable policies of approved state management programs, as defined. Current federal law requires a consistency determination to contain specified information and outlines the process that follows a state agency objection to a federal agency's consistency determination. This bill would deem the commission's objection to concurrence on Consistency Determination CD-0007-24 null and void. The bill would deem the activities at Vandenberg Space Force Base, outlined by Consistency Determination CD-0007-24, consistent with the objectives of the California Coastal Act of 1976. The bill would provide that it shall act as a concurrence regarding consistency with the California Coastal Act of 1976.

AB 12 (**Wallis, R**) **Low-carbon fuel standard: regulations.**

Introduced: 12/02/2024

Status: 02/18/2025 - Referred to Com. on NAT. RES.

Location: 02/18/2025 - Assembly Natural Resources

Summary: The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations. This bill would void specified amendments to the Low-Carbon Fuel Standard regulations adopted by the state board on November 8, 2024.

AB 20 (**DeMaio, R**) **Homelessness: People First Housing Act of 2025.**

Introduced: 12/02/2024 (Spot bill)

Last Amended: 03/24/2025

Status: 04/24/2025 - In committee: Set, first hearing. Failed passage.

Location: 03/24/2025 - Assembly Housing and Community Development

Summary: Would prohibit a homeless encampment from operating within 500 feet of a sensitive community area, including, but not limited to, a school, open space, or transit stop. The bill would prohibit a person from camping, as defined, in any public space, including a sidewalk, if a homeless shelter bed is available in the city where the public space is located.

AB 23 (**DeMaio, R**) **The Cost of Living Reduction Act of 2025.**

Introduced: 12/02/2024 (Spot bill)

Last Amended: 03/25/2025

Status: 03/26/2025 - Re-referred to Com. on U. & E.

Location: 03/24/2025 - Assembly Utilities and Energy

Summary: Current law vests the State Energy Resources Conservation and Development Commission (Energy Commission) with various responsibilities for developing and implementing the state's energy policies. This bill, the Cost of Living Reduction Act of 2025, would require the Energy Commission and the Public Utilities Commission to post, and update monthly, dashboards on their internet websites that include the difference in average gasoline prices and the average total price of electricity or natural gas in California compared to national averages, and any California-specific taxes, fees, regulations, and policies that directly or indirectly contribute to higher gasoline and electricity or natural gas prices within the state, as specified. The bill would require the Energy Commission and the PUC, on or before July 1, 2026, to each submit a report to the Legislature on the governmental and nongovernmental drivers of California's higher gasoline prices and higher electricity and natural gas prices, and recommendations for policy changes to reduce the costs associated with those drivers, as specified. If the average price of gasoline in California exceeds 10% of the national average in the preceding quarter, the bill would require all taxes and fees on gasoline, as specified, to be suspended for a period of 6 months, and, if the average price of electricity or natural gas in California exceeds 10% of the national average in the preceding quarter, the bill would require the PUC to suspend the collection of all fees, as specified, charged on electricity and natural gas bills for a period of 6 months.

AB 24 (**DeMaio, R**) **San Diego Association of Governments: board of directors.**

Introduced: 12/02/2024

Last Amended: 04/08/2025

Status: 04/23/2025 - In committee: Set, first hearing. Held without recommendation.

Location: 03/24/2025 - Assembly Local Government

Summary: The San Diego Regional Transportation Consolidation Act reorganizes the transportation responsibilities in the San Diego region by consolidating the San Diego Association of Governments and the transit operations of 2 specified transit boards. Current law establishes a 21-member board of directors to govern the consolidated agency that includes, among others, 2 members of the Board of Supervisors of San Diego County. This bill, the Give San Diego Rural Communities a Voice Act, would instead require the board of directors to include, among others, one member of the Board of Supervisors of San Diego County from an unincorporated area of the county and one representative from the Association of Planning Groups - San Diego County to be selected by their respective governing bodies.

AB 35 (**Alvarez, D**) **California Environmental Quality Act: clean hydrogen transportation projects.**

Introduced: 12/02/2024

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on NAT. RES.

Location: 02/18/2025 - Assembly Natural Resources

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would provide for limited CEQA review of an application for a discretionary permit or authorization for a clean hydrogen transportation project, as defined, by requiring the application to be reviewed through a clean hydrogen environmental assessment, unless otherwise requested by the applicant, as prescribed. The bill would, except as provided, require the lead agency to determine whether to approve the clean hydrogen environmental assessment and issue a discretionary permit or authorization for the project no later than 270 days after the application for the project is deemed complete. By imposing new duties on a lead agency, this bill would create a state-mandated local program. The bill would repeal these provisions on January 1, 2036. This bill contains other related provisions and other existing laws.

AB 41 (**Macedo, R**) **State Air Resources Board: regulations: impact estimates: retail gasoline prices: public disclosure.**

Introduced: 12/02/2024

Status: 02/18/2025 - Referred to Com. on NAT. RES.

Location: 02/18/2025 - Assembly Natural Resources

Summary: Would require the State Air Resources Board, in consultation with the State Energy Resources Conservation and Development Commission, before adopting or amending a regulation that imposes costs on gasoline refiners, distributors, or retailers, to make available to the public, including on its internet website, an estimate of the impact on retail gasoline prices due to the proposed new regulation or the existing regulation and the proposed amendments to that regulation. The bill would require the estimate to include a maximum estimated impact on retail gasoline prices that assumes the maximum possible cost imposed, as specified, and that all costs are passed on to consumers.

AB 62 (**McKinnor, D**) **Agency: racially motivated eminent domain.**

Introduced: 12/02/2024 (Spot bill)

Last Amended: 02/24/2025

Status: 02/25/2025 - Re-referred to Com. on JUD.

Calendar: 04/29/25 A-JUDICIARY 8 a.m. - State Capitol, Room 437 KALRA, ASH, Chair

Location: 02/24/2025 - Assembly Judiciary

Summary: Current law establishes, until January 1, 2030, the Racial Equity Commission within the Office of Planning and Research and requires the commission to develop resources, best practices, and tools for advancing racial equity by, among other things, developing a statewide Racial Equity Framework that includes methodologies and tools that can be employed to advance racial equity and address structural racism in California. This bill would require the Office of Legal Affairs within the ____ Agency, to, upon appropriation by the Legislature, review, investigate, and make certain determinations regarding applications from persons who claim they are the dispossessed owner, as defined, of property taken as a result of racially motivated eminent domain. The bill would define “racially motivated eminent domain” to mean when the state, county, city, city and county, district, or other political subdivision of the state acquires private property for public use and does not distribute just compensation to the owner at the time of the taking, and the taking, or the failure to provide just compensation, was due, in whole or in part, to the owner’s ethnicity or race. Upon a determination that providing property or just compensation is warranted, as provided, the bill would require the Office of Legal Affairs to certify that the dispossessed owner is entitled to the return of the taken property, as specified, or other publicly held property, as defined, of equal value, or financial compensation, as specified. Upon a determination that the dispossessed owner is entitled to other publicly held property of equal value, the bill would require the Office of Legal Affairs to solicit and select, as specified, a list of recommendations of publicly held properties that are suitable as compensation, as provided. Upon a rejection of the determination of the Office of Legal Affairs by the state or local agency that took property by racially motivated eminent domain, the bill would authorize the dispossessed owner, as specified, to bring an action to challenge the taking or the amount of compensation, as provided.

AB 259 (**Rubio, Blanca, D**) **Open meetings: local agencies: teleconferences.**

Introduced: 01/16/2025

Last Amended: 04/21/2025

Status: 04/22/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #61 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 04/22/2025 - Assembly THIRD READING

Summary: The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030.

AB 266 (**Davies, R**) **Freeway Service Patrol Act: sponsorship agreement.**

Introduced: 01/17/2025

Status: 03/28/2025 - Read third time. Passed. Ordered to the Senate. (Ayes 62. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

Location: 03/28/2025 - Senate Rules

Summary: The Freeway Service Patrol Act requires each tow truck participating in a freeway service patrol to bear a specified logo that identifies the Department of the California Highway Patrol and the Department of Transportation, and, at the option of the entity, the participating regional or local entity. This bill would authorize a participating regional or local entity to generate additional revenue for its freeway service patrol by entering into exclusive sponsorship agreements that allow for the display of a sponsor's name and logo on participating tow trucks, as specified, that are in addition to the above-described required logo.

AB 267 (**Macedo, R**) **Greenhouse Gas Reduction Fund: high-speed rail: water infrastructure and wildfire prevention.**

Introduced: 01/17/2025

Status: 02/18/2025 - Referred to Coms. on TRANS. and NAT. RES.

Location: 02/18/2025 - Assembly Transportation

Summary: Would suspend the appropriation to the High-Speed Rail Authority for the 2026–27 and 2027–28 fiscal years and would instead require those amounts from moneys collected by the State Air Resources Board to be transferred to the General Fund. The bill would specify that the transferred amounts shall be available, upon appropriation by the Legislature, to augment funding for water infrastructure and wildfire prevention.

AB 273 (**Sanchez, R**) **Greenhouse Gas Reduction Fund: high-speed rail: infrastructure improvements.**

Introduced: 01/21/2025

Status: 02/18/2025 - Referred to Coms. on TRANS. and NAT. RES.

Location: 02/18/2025 - Assembly Transportation

Summary: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include in its regulation of greenhouse gas emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Current law continuously appropriates 25% of the annual proceeds of the fund to the High-Speed Rail Authority for certain purposes. This bill would eliminate the continuous appropriation of 25% of the annual proceeds of the Greenhouse Gas Reduction Fund to the High-Speed Rail Authority on June 30, 2026. The bill, beginning with the 2026–27 fiscal year, would instead require 25% of the annual proceeds of the Greenhouse Gas Reduction Fund to be transferred to the General Fund and for those moneys, upon appropriation, to be used to augment funding provided to local governments to improve infrastructure.

AB 288 (**McKinnor, D**) **Employment: labor organization.**

Introduced: 01/22/2025

Last Amended: 04/21/2025

Status: 04/24/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 23). Re-referred to Com. on APPR.

Location: 04/24/2025 - Assembly Appropriations

Summary: Current law establishes the Public Employment Relations Board (PERB) in state government as a means of resolving disputes and enforcing the statutory duties and rights of specified public employers and employees under various acts regulating collective bargaining. Under current law, PERB has the power and duty to investigate an unfair practice charge and to determine whether the charge is justified and the appropriate remedy for the unfair practice. This bill would expand PERB's jurisdiction by authorizing a worker, as defined, to petition PERB to vindicate prescribed rights, as specified. The bill would specify who is an authorized worker, including an individual who petitions the National Labor Relations Board to vindicate their rights to full freedom of association, self-organization, or designation of representatives of their own choosing but has not received a determination or remedy within specified statutory timeframes. The bill would authorize PERB to, among other things, decide unfair labor practice cases, as specified, and order all appropriate relief for a violation, including civil penalties. The bill would establish the Public Employment Relations Board Enforcement Fund (fund) in the State Treasury, require the above-described civil penalties to be deposited into the fund, and would make moneys in the fund available upon appropriation by the Legislature for PERB to fund increased workload. The bill would make related findings and declarations and make its provisions severable.

AB 289 (**Haney, D**) **State highway work zone speed safety program.**

Introduced: 01/22/2025

Last Amended: 03/24/2025

Status: 04/08/2025 - Coauthors revised. From committee: Do pass and re-refer to Com. on P. & C.P. (Ayes 15. Noes 0.) (April 7). Re-referred to Com. on P. & C.P.

Calendar: 05/01/25 A-PRIVACY AND CONSUMER PROTECTION Upon adjournment of Session - State Capitol, Room 437 BAUER-KAHAN, REBECCA, Chair

Location: 04/07/2025 - Assembly Privacy and Consumer Protection

Summary: Current law authorizes, until January 1, 2032, the City of Malibu to establish a speed safety system pilot program for speed enforcement on the Pacific Coast Highway if the system meets specified requirements. Current law requires the city to administer a public information campaign at least 30 days before implementation of the program, including information relating to when the systems would begin detecting violations. Current law requires the city to issue warning notices rather than notices of violations for violations detected within the first 60 calendar days of the program. Current law also requires the city to develop guidelines for, among other things, the processing and storage of confidential information. Existing law requires photographic or administrative records made by a system to be confidential, except as specified, and would only authorize public agencies to use and allow access to these records for specified purposes. This bill would authorize, until January 1, 2032, the Department of Transportation to establish a similar program for speed enforcement that utilizes up to 75 speed safety systems on state highway construction or maintenance areas, as specified.

AB 314 (**Arambula, D**) **Affordable Housing and Sustainable Communities Program: project eligibility.**

Introduced: 01/23/2025

Last Amended: 04/10/2025

Status: 04/21/2025 - Re-referred to Com. on NAT. RES. Re-referred to Com. on TRANS. pursuant to Assembly Rule 96.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 04/21/2025 - Assembly Transportation

Summary: Current law specifies the types of projects eligible for funding under the Affordable Housing and Sustainable Communities Program, including, among others, transit capital projects, active transportation capital projects, and transit-oriented development projects, as provided. This bill would expressly include certain transit capital projects, active transportation capital projects, and transit-oriented development projects near planned high-speed rail stations as eligible for funding under the program.

AB 334 (**Petrie-Norris, D**) **Operators of toll facilities: interoperability programs: vehicle information.**

Introduced: 01/28/2025

Status: 03/25/2025 - From committee: Do pass and re-refer to Com. on P. & C.P. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (March 24). Re-referred to Com. on P. & C.P.

Calendar: 05/06/25 A-PRIVACY AND CONSUMER PROTECTION 1:30 p.m. - State Capitol, Room 437 BAUER-KAHAN, REBECCA, Chair

Location: 03/24/2025 - Assembly Privacy and Consumer Protection

Summary: Current law requires the Department of Transportation, in cooperation with the Golden Gate Bridge, Highway and Transportation District and all known entities planning to implement a toll facility, to develop and adopt functional specifications and standards for an automatic vehicle identification system in compliance with specified objectives, and generally requires any automatic vehicle identification system purchased or installed after January 1, 1991, to comply with those specifications and standards. Current law authorizes operators of toll facilities on federal-aid highways engaged in an interoperability program to provide only specified information regarding a vehicle's use of the toll facility. This bill would instead authorize operators of toll facilities on federal-aid highways engaged in an interstate interoperability program to provide only the information regarding a vehicle's use of the toll facility that is intended to implement interstate interoperability.

AB 340 (**Ahrens, D**) **Employer-employee relations: confidential communications.**

Introduced: 01/28/2025

Last Amended: 03/05/2025

Status: 04/23/2025 - In committee: Set, first hearing. Referred to suspense file.

Location: 04/23/2025 - Assembly APPR. SUSPENSE FILE

Summary: Current law that governs the labor relations of public employees and employers, including, among others, the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, and provisions relating to higher education, prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions of current law further prohibit denying to employee organizations the rights guaranteed to them by current law. This bill would prohibit a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation.

AB 351 (**McKinnor, D**) **Campaign contributions: agency officers.**

Introduced: 01/30/2025

Status: 04/07/2025 - In committee: Set, first hearing. Hearing canceled at the request of author.

Calendar: 04/30/25 A-ELECTIONS 9 a.m. - State Capitol, Room 444 PELLERIN, GAIL, Chair

Location: 02/18/2025 - Assembly Elections

Summary: The Political Reform Act of 1974 prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than $500 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, if the officer knows or has reason to know that the participant has a financial interest, as defined. The act also prohibits an officer of an agency from making, participating in making, or in any way attempting to use the officer's official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution of more than $500 within the preceding 12 months from a party or a party's agent, or from any participant or a participant's agent, if the officer knows or has reason to know that the participant has a financial interest in the decision, as defined. This bill would increase the contribution thresholds described above from $500 to $1500.

AB 357 (**Alvarez, D**) **Coastal resources: coastal development permit: exclusions.**

Introduced: 01/30/2025

Status: 02/18/2025 - Referred to Com. on NAT. RES.

Calendar: 04/28/25 A-NATURAL RESOURCES 2:30 p.m. - State Capitol, Room 437 BRYAN, ISAAC, Chair

Location: 02/18/2025 - Assembly Natural Resources

Summary: The Coastal Act of 1976, which is administered by the California Coastal Commission, requires a person wishing to perform or undertake any development in the coastal zone to obtain a coastal development permit. Current law excludes a specified power facility from this provision. This bill would also include, as part of that exclusion, student housing projects and faculty and staff housing projects, as defined.

AB 370 (**Carrillo, D**) **California Public Records Act: cyberattacks.**

Introduced: 02/03/2025

Last Amended: 03/12/2025

Status: 04/24/2025 - Read third time. Passed. Ordered to the Senate. (Ayes 75. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

Location: 04/24/2025 - Senate Rules

Summary: The California Public Records Act requires state and local agencies to make their records available for public inspection, except as specified. Current law requires each agency, within 10 days of a request for a copy of records, to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person of the determination and the reasons therefor. Current law authorizes that time limit to be extended by no more than 14 days under unusual circumstances, and defines “unusual circumstances” to include, among other things, the need to search for, collect, and appropriately examine records during a state of emergency when the state of emergency currently affects the agency’s ability to timely respond to requests due to staffing shortages or closure of facilities, as provided. This bill would also expand the definition of unusual circumstances to include the inability of the agency, because of a cyberattack, to access its electronic servers or systems in order to search for and obtain a record that the agency believes is responsive to a request and is maintained on the servers or systems in an electronic format.

AB 382 (**Berman, D**) **Pedestrian safety: school zones: speed limits.**

Introduced: 02/03/2025

Last Amended: 04/07/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (April 21). Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: Current law establishes a prima facie speed limit of 25 miles per hour when approaching or passing a school building or grounds contiguous to a highway or when the school grounds are not separated from the highway, as specified. Current law authorizes a local authority, by ordinance or resolution, to reduce the prima facie speed limit based on an engineering and traffic survey, as specified. This bill would, notwithstanding the above provision and until January 1, 2029, authorize a local authority, by ordinance or resolution, to determine and declare a prima facie speed limit of 20 miles per hour in a school zone. The bill would, beginning on January 1, 2029, establish a prima facie speed limit of 20 miles per hour in a school zone, as defined, subject to specified conditions, including, among others, when a school speed limit sign states “children are present” and children are present, as defined, and when a school speed limit sign states specific hours, as specified.

AB 390 (**Wilson, D**) **Vehicles: highway safety.**

Introduced: 02/03/2025

Last Amended: 03/11/2025

Status: 04/10/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #45 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 04/10/2025 - Assembly THIRD READING

Summary: Current law requires a driver approaching, among others, a stationary marked Caltrans vehicle that is displaying flashing lights to approach with due caution and either change lanes to a lane not immediately adjacent to the vehicle, or, if unable to safely do so, slow to a reasonable and prudent speed, as specified. Current law makes a violation of that provision an infraction, punishable by a fine of not more than $50. This bill would expand that requirement to apply to all marked highway maintenance vehicles, as defined, and would also make that requirement applicable to any other stationary vehicle displaying flashing hazard lights or another warning device, including, but not limited to, cones, flares, or retroreflective devices.

AB 394 (**Wilson, D**) **Public transportation providers.**

Introduced: 02/03/2025

Last Amended: 04/23/2025

Status: 04/24/2025 - Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/22/2025 - Assembly Appropriations

Summary: Current law defines a battery as any willful and unlawful use of force or violence upon the person of another. Current law provides that when a battery is committed against the person of an operator, driver, or passenger on a bus, taxicab, streetcar, cable car, trackless trolley, or other motor vehicle, as specified, and the person who commits the offense knows or reasonably should know that the victim is engaged in the performance of their duties, the penalty is imprisonment in a county jail not exceeding one year, a fine not exceeding $10,000, or both the fine and imprisonment. Current law also provides that if the victim is injured, the offense would be punished by a fine not exceeding $10,000, by imprisonment in a county jail not exceeding one year or in the state prison for 16 months, 2, or 3 years, or by both that fine and imprisonment. This bill would expand this crime to apply to an employee, public transportation provider, or contractor of a public transportation provider.

AB 399 (**Boerner, D**) **Coastal resources: coastal development permits: blue carbon demonstration projects.**

Introduced: 02/04/2025

Status: 04/09/2025 - In committee: Set, first hearing. Referred to APPR. suspense file.

Location: 04/09/2025 - Assembly APPR. SUSPENSE FILE

Summary: The California Coastal Act of 1976, among other things, requires anyone wishing to perform or undertake any development in the coastal zone, except as specified, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit from the California Coastal Commission or local government, as provided. This bill would authorize the commission to authorize blue carbon demonstration projects, as defined, in order to demonstrate and quantify the carbon sequestration potential of these projects to help inform the state's natural and working lands and climate resilience strategies.

AB 404 (**Sanchez, R**) **California Environmental Quality Act: exemption: prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction projects.**

Introduced: 02/04/2025

Status: 03/24/2025 - In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 02/18/2025 - Assembly Natural Resources

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Current law, until January 1, 2028, except for the issuance of a permit or other permit approval, exempts from the requirements of CEQA prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction projects, or related activities, undertaken, in whole or in part, on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969 meeting certain requirements. Current law requires a lead agency, if it determines that a project qualifies for the above exemption and it determines to approve or carry out the project, to file a notice of exemption with the Office of Land Use and Climate Innovation and with the county clerk in the county in which the project will be located and to post the notice of exemption on its internet website together with a description of where the documents analyzing the environmental impacts of the project under the federal act are available for review. Current law requires the lead agency, if it is not the Department of Forestry and Fire Protection, to provide the notice of exemption and certain information to the department. This bill would extend the above exemption and requirements on the lead agency indefinitely.

AB 406 (**Bennett, D**) **Energy: transportation fuels assessment.**

Introduced: 02/04/2025

Last Amended: 03/04/2025

Status: 04/24/2025 - Read second time. Ordered to Consent Calendar.

Calendar: 04/28/25 #108 A-CONSENT CALENDAR 1ST DAY-ASSEMBLY BILLS

Location: 04/23/2025 - Assembly CONSENT CALENDAR

Summary: Current law requires the State Energy Resources Conservation and Development Commission, on or before January 1, 2024, and every 3 years thereafter, to submit an assessment related to transportation fuels to the Legislature, as specified. This bill would require the commission, beginning with the first assessment submitted after January 1, 2025, to propose recommendations for implementing solutions to mitigate any impacts described in the assessment, and would authorize the commission to request information from the State Air Resources Board, the Geologic Energy Management Division, and other relevant state agencies in preparing the recommendations and the assessment.

AB 434 (**DeMaio, R**) **Battery energy storage facilities.**

Introduced: 02/05/2025 (Spot bill)

Last Amended: 04/02/2025

Status: 04/03/2025 - Re-referred to Com. on U. & E.

Location: 03/24/2025 - Assembly Utilities and Energy

Summary: Current law authorizes a person proposing an eligible facility, including an energy storage system that is capable of storing 200 megawatt hours or more of energy, to file with the State Energy Resources Conservation and Development Commission an application for certification for the site and related facility, as provided. Current law provides that the certification issued by the commission is in lieu of any permit, certificate, or similar document required by a state, local, or regional agency for the use of the site and related facility. This bill would exclude energy storage facilities that use batteries as a storage medium from the above-described provisions. This bill would prohibit, until January 1, 2028, a public agency from authorizing the construction of a battery energy storage facility, as defined. The bill would require the State Fire Marshal, on or before January 1, 2028, to adopt guidelines and minimum standards for the construction of a battery energy storage facility to prevent fires and protect nearby communities from any fire hazard posed by the facility.

AB 439 (Rogers, D) **California Coastal Act of 1976: local planning and reporting.**

Introduced: 02/06/2025

Status: 04/10/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #46 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 04/10/2025 - Assembly THIRD READING

Summary: The Coastal Act generally requires each local government, as specified, to prepare a local coastal program, for certification by the California Coastal Commission. Current law also imposes an analogous requirement on port governing bodies to prepare port master plans, for certification by the commission. With regard to local coastal programs and port master plans, current law provides that an amendment determined to be de minimus by the executive director of the commission, after notice in the agenda of the next scheduled commission meeting, becomes a part of the certified program or plan 10 days after the commission meeting if 3 or more members of the commission do not object to the de minimis determination. This bill would make de minimis amendments to local coastal programs and port master plans effective upon adjournment of that meeting if 3 or more members of the commission do not object to the de minimis determination.

AB 440 (Ramos, D) **Suicide prevention.**

Introduced: 02/06/2025

Last Amended: 04/10/2025

Status: 04/23/2025 - In committee: Set, first hearing. Referred to suspense file.

Location: 04/23/2025 - Assembly APPR. SUSPENSE FILE

Summary: Current law authorizes the State Department of Public Health to establish the Office of Suicide Prevention. Current law authorizes the office, if established, to perform certain functions, including, among others, conducting state-level assessment of regional and statewide suicide prevention policies and practices and reporting on progress to reduce rates of suicide. This bill would require the office to work with the Department of Transportation to identify cost-effective strategies to reduce suicides and suicide attempts on the state's bridges and roadways.

AB 443 (Bennett, D) **Energy Commission: integrated energy policy report: curtailed solar and wind generation: hydrogen production.**

Introduced: 02/06/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (April 21). Re-referred to Com. on APPR.

Location: 04/21/2025 - Assembly Appropriations

Summary: Current law requires the State Energy Resources Conservation and Development Commission, beginning November 1, 2003, and biennially thereafter, to adopt an integrated energy policy report that contains an overview of major energy trends and issues facing the state, presents policy recommendations based on an in-depth and integrated analysis of the most current and pressing energy issues facing the state, and includes an assessment and forecast of system reliability and the need for resource additions, efficiency, and conservation, as specified. Current law also requires the commission, beginning November 1, 2004, and biennially thereafter, to prepare an energy policy review to update analyses from the integrated energy policy report or to raise energy issues that have emerged since the release of the integrated energy policy report, as specified. This bill would require the commission, as part of the 2027 edition of the integrated energy policy report, to include an assessment of the potential for using curtailed solar and wind generation to produce hydrogen, as provided.

AB 462 (**Lowenthal, D**) **Land use: coastal development permits: accessory dwelling units.**

Introduced: 02/06/2025

Last Amended: 02/27/2025

Status: 04/23/2025 - Re-referred to Coms. on N.R. & W. and HOUSING.

Location: 04/23/2025 - Senate Natural Resources and Water

Summary: Current law provides for the creation by local ordinance, or by ministerial approval if a local agency has not adopted an ordinance, of accessory dwelling units in areas zoned for single-family or multifamily dwelling residential use in accordance with specified standards and conditions. The California Coastal Act of 1976, which is administered by the California Coastal Commission, requires any person wishing to perform or undertake any development in the coastal zone, as defined, to obtain a coastal development permit from a local government or the commission, except as provided. Current law specifies that the above-described provisions governing accessory dwelling units do not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976, except as specified. This bill would exempt the construction of an accessory dwelling unit located within the County of Los Angeles, and in any county that is subject to a proclamation of a state of emergency made by the Governor on or after February 1, 2025, as provided, from the need to obtain a coastal development permit, as specified.

AB 513 (**Gonzalez, Jeff, R**) **California Global Warming Solutions Act of 2006: scoping plan.**

Introduced: 02/10/2025

Status: 02/24/2025 - Referred to Com. on NAT. RES.

Location: 02/24/2025 - Assembly Natural Resources

Summary: The State Air Resources Board is required to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. The California Global Warming Solutions Act of 2006 requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. This bill would require the state board to include greenhouse gas emissions from wildlands and forest fires in the scoping plan.

AB 544 (**Davies, R**) **Electric bicycles: required equipment.**

Introduced: 02/11/2025

Last Amended: 03/24/2025

Status: 04/08/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (April 7). Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/07/2025 - Assembly Appropriations

Summary: Current law requires a bicycle operated during darkness on a highway, sidewalk, or bikeway to be equipped with, among other things, a red reflector or a solid or flashing red light with a built-in reflector on the rear that is visible from a distance of 500 feet to the rear when directly in front of lawful upper beams of headlamps on a motor vehicle. Current law defines “bicycle” for these purposes to, among other things, include an electric bicycle. Current law defines an electric bicycle as a bicycle equipped with fully operable pedals and an electric motor that does not exceed 750 watts of power and categorizes electric bicycles into 3 classes. A violation of the provisions relating to the requirements for equipping a bicycle or an electric bicycle is punishable as an infraction. This bill would require an electric bicycle during all hours to be equipped with a red reflector or a solid or flashing red light with a built-in reflector on the rear that is visible from a distance of 500 feet to the rear when directly in front of lawful upper beams of headlamps on a motor vehicle.

AB 545 (**Davies, R**) **Vehicles: electric bicycles.**

Introduced: 02/11/2025

Last Amended: 03/24/2025

Status: 04/08/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (April 7). Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/07/2025 - Assembly Appropriations

Summary: Current law defines an electric bicycle and classifies electric bicycles into 3 classes with different restrictions. Under existing law, a “class 1 electric bicycle” is a bicycle equipped with a motor that, among other things, provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour. Under current law, a “class 2 electric bicycle” is a bicycle equipped with a motor that may be used exclusively to propel the bicycle and is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour. Under current law, a “class 3 electric bicycle” is a bicycle equipped with a speedometer and a motor that, in pertinent part, provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour. Current law prohibits a person from selling a product or device that can modify the speed capability of an electric bicycle so that it no longer meets the definition of an electric bicycle. This bill would also prohibit a person from selling an application that can modify the speed capability of an electric bicycle.

AB 549 (**Gabriel, D**) **Emergency services: human trafficking.**

Introduced: 02/11/2025 (Spot bill)

Last Amended: 04/23/2025

Status: 04/24/2025 - Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: The California Emergency Services Act establishes the Office of Emergency Services within the office of the Governor, under the charge of a Director of Emergency Services appointed by the Governor. The act and other current laws set forth the duties and authority of the office and the director, with respect to specified emergency preparedness, mitigation, and response activities within the state. This bill would require the office, in collaboration with host counties, host committees, and partners, to prepare for the planning, resourcing, management, and delivery of safety and security at the mega sporting events and official watch parties, including the 2026 FIFA World Cup games, Super Bowl LXI 2027, the Summer Olympic Games 2028, and the Paralympic Games 2028. The bill would require the office to, among other things, consider ways to increase safety around and reduce the risk of, among other things, human trafficking at the mega sporting events.

AB 555 (**Jackson, D**) **Air resources: regulatory impacts: transportation fuel costs.**

Introduced: 02/12/2025

Status: 03/17/2025 - Referred to Com. on NAT. RES.

Calendar: 04/28/25 A-NATURAL RESOURCES 2:30 p.m. - State Capitol, Room 437 BRYAN, ISAAC, Chair

Location: 03/17/2025 - Assembly Natural Resources

Summary: Would require the State Air Resources Board, on a quarterly basis, to submit to the relevant policy committees of the Legislature a report providing data and describing the impacts of its regulations of transportation fuels on the prices of those fuel to California consumers.

AB 569 (**Stefani, D**) **California Public Employees' Pension Reform Act of 2013: exceptions: supplemental defined benefit plans.**

Introduced: 02/12/2025

Last Amended: 04/24/2025

Status: 04/24/2025 - Read second time and amended. Ordered returned to second reading.

Calendar: 04/28/25 #3 A-SECOND READING FILE -- ASSEMBLY BILLS

Location: 04/24/2025 - Assembly SECOND READING

Summary: The California Public Employees' Pension Reform Act of 2013 (PEPRA) on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with PEPRA, as specified. PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas, requires new members of public retirement systems to contribute at least a specified amount of the normal cost, as defined, for their defined benefit plans, and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA prohibits a public employer from offering a supplemental defined benefit plan if the public employer did not do so before January 1, 2013, or, if it did, from offering that plan to an additional employee group after that date. This bill would authorize a public employer, as defined, to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive bargaining representative of one or more of the public employer's bargaining units, subject to the limitations specified above.

AB 591 (**Caloza, D**) **Emergency services: mutual aid: public works.**

Introduced: 02/12/2025

Status: 03/03/2025 - Referred to Com. on E.M.

Calendar: 04/28/25 A-EMERGENCY MANAGEMENT 2:30 p.m. - State Capitol, Room 444 RANSOM, RHODESIA, Chair

Location: 03/03/2025 - Assembly Emergency Management

Summary: The California Emergency Services Act establishes the Office of Emergency Services within the Governor's office under the supervision of the Director of Emergency Services and makes the office responsible for the state's emergency and disaster response services. The office serves as the State Disaster Council for the purposes of the California Disaster and Civil Defense Master Mutual Aid Agreement. Current law states it is the purpose of the Legislature to facilitate the rendering of aid to areas stricken by an emergency and to make unnecessary the execution of written agreements customarily entered into by public agencies exercising joint powers, and that emergency plans duly adopted and approved as provided by the Governor shall be effective as satisfying the requirement for mutual aid operational plans provided in the Master Mutual Aid Agreement. Current law requires outside aid be rendered in accordance with approved emergency plans during any state of war emergency or state of emergency when the need arises in any county, city and county, or city. This bill would additionally state that it is the purpose of the Legislature to facilitate the rendering of public works resources critical for disaster response and recovery to areas stricken by an emergency. The bill would require that outside aid rendered during any state of war emergency or state of emergency includes public works personnel, equipment, and materials.

AB 596 (**McKinnor, D**) **Occupational safety: face coverings.**

Introduced: 02/13/2025

Last Amended: 03/10/2025

Status: 04/24/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #84 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 04/24/2025 - Assembly THIRD READING

Summary: Until February 3, 2025, current regulations promulgated by the Occupational Safety and Health Standards Boar, in all areas of employment except as specified, prohibit an employer from preventing any employee from wearing a face covering, including a respirator, as specified, unless it would create a safety hazard. Current regulations define various terms for purposes of this prohibition. This bill would prohibit an employer from preventing any employee from wearing a face covering, including a respirator, unless it would create a safety hazard. Consistent with the above-referenced regulations, the bill would define terms for purposes of these provisions.

AB 612 (**Rogers, D**) **Transportation: Highway Design Manual: emergency response times.**

Introduced: 02/13/2025

Status: 03/25/2025 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 16. Noes 0.) (March 24). Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 03/24/2025 - Assembly Appropriations

Summary: Would require the Department of Transportation, on or before January 1, 2026, to update the Highway Design Manual to direct local governments to consult with local fire departments when making road improvements to ensure the improvements do not negatively impact emergency response times.

AB 614 (**Lee, D**) **Claims against public entities.**

Introduced: 02/13/2025

Last Amended: 03/27/2025

Status: 03/28/2025 - Re-referred to Com. on APPR.

Location: 03/25/2025 - Assembly Appropriations

Summary: The Government Claims Act establishes the liability and immunity of a public entity for its acts or omissions that cause harm to persons and requires that a claim against a public entity relating to a cause of action for death or for injury to person, personal property, or growing crops be presented not later than 6 months after accrual of the cause of action. Under current law, claims relating to any other cause of action are required to be presented no later than one year after the accrual of the cause of action. This bill would remove the provisions requiring a claim against a public entity relating to a cause of action for death or for injury to person, personal property, or growing crops to be presented not later than 6 months after accrual of the cause of action and would instead require a claim relating to any cause of action to be presented not later than one year after accrual of the cause of action, unless otherwise specified by law.

AB 623 (**Dixon, R**) **Fire prevention projects: California Environmental Quality Act: coastal development permits: exemptions.**

Introduced: 02/13/2025

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on NAT. RES.

Location: 03/03/2025 - Assembly Natural Resources

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would exempt a fuel modification project to maintain defensible space of 500 feet from each side and from the front and rear of a building or structure and a fuel reduction project to prevent and contain the spread of wildfires from the requirements of CEQA. The bill would also exempt an electrical grid resilience or hardening project from the requirements of CEQA. Because a lead agency would be required to determine whether a project qualifies for these exemptions, the bill would impose a state-mandated local program.

AB 658 (**Gonzalez, Jeff, R**) **Vehicles: registration fees.**

Introduced: 02/14/2025

Status: 03/03/2025 - Referred to Com. on TRANS.

Location: 03/03/2025 - Assembly Transportation

Summary: Current law requires a registration fee to be paid to the Department of Motor Vehicles for the registration of each vehicle or trailer coach of a type subject to registration under the Vehicle Code, except those vehicles that are expressly exempted from the payment of registration fees. This bill would require the department, if there is an increase in the registration fee described above, to complete and post an affordability impact analysis on its internet website within 6 months of the date that the increase becomes effective.

AB 697 (**Wilson, D**) **Protected species: authorized take: State Route 37 improvements.**

Introduced: 02/14/2025

Status: 03/17/2025 - Referred to Com. on W. P., & W.

Calendar: 04/29/25 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair

Location: 03/17/2025 - Assembly Water, Parks and Wildlife

Summary: Would permit the Department of Fish and Wildlife to authorize, under the California Endangered Species Act, the incidental take of specified fully protected species resulting from impacts attributable to certain improvements on the State Route 37 corridor, if certain conditions are met, including, among others, the conditions required for the issuance of an incidental take permit.

AB 699 (**Stefani, D**) **Elections: local tax measures.**

Introduced: 02/14/2025

Last Amended: 04/01/2025

Status: 04/07/2025 - In committee: Set, first hearing. Hearing canceled at the request of author.

Calendar: 04/30/25 A-ELECTIONS 9 a.m. - State Capitol, Room 444 PELLERIN, GAIL, Chair

Location: 03/03/2025 - Assembly Elections

Summary: Under current law, if a proposed local measure imposes a tax or raises the rate of a tax, the ballot must include the amount of money to be raised annually by the tax and the rate and duration of the tax. If the measure imposes or increases a tax with more than one rate or authorizes the issuance of bonds, this bill would allow the local government or initiative proponents submitting the measure to the voters to direct the elections official to include on the ballot a statement directing the voters to the voter guide for tax rate information, in lieu of providing the information described above. If the local government or initiative proponents choose to direct voters to the voter guide, the bill would require local elections officials to mail a measure information statement with the sample ballot for the election. The bill would require the measure information statement to include, among other things, a description of the purpose of the tax and how the revenue will be spent, a list of all tax rates expected to apply, and the duration of the tax.

AB 719 (**Calderon, D**) **County emergency plans.**

Introduced: 02/14/2025

Status: 03/03/2025 - Referred to Com. on E.M.

Calendar: 04/28/25 A-EMERGENCY MANAGEMENT 2:30 p.m. - State Capitol, Room 444 RANSOM, RHODESIA, Chair

Location: 03/03/2025 - Assembly Emergency Management

Summary: Current law requires the Governor to coordinate the State Emergency Plan and the preparation of plans and programs for the mitigation of the effects of an emergency by the political subdivisions of this state. Current law defines the terms “political subdivision” and “emergency plans” for purposes of emergency services provided by local governments. Current law requires the governing body of each political subdivision of the state to carry out the provisions of the State Emergency Plan. Current law requires the office to establish best practices for counties developing and updating a county emergency plan and a process for a county to request that the office review a county’s emergency plan by January 1, 2022. This bill would require each county to review and update its emergency plan at least every 2 years. Because the bill would require local officials to perform additional duties, the bill would impose a state-mandated local program. The bill would remove the January 1, 2022, date specified above, and would remove another reference to that date.

AB 734 (Schultz, D) **Environmental protection: biological resources data: State Energy Resources Conservation and Development Commission: powerplants: power lines: applications.**

Introduced: 02/18/2025

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on W. P., & W.

Calendar: 04/29/25 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair

Location: 03/28/2025 - Assembly Water, Parks and Wildlife

Summary: Current law vests the State Energy Resources Conservation and Development Commission with the power to certify locations on which an electrical transmission line or thermal powerplant is constructed, or is proposed to be constructed, except as provided. Current law authorizes the commission to exempt from certification a thermal powerplant with a generating capacity of up to 100 megawatts, and modifications to existing generating facilities that do not add capacity in excess of 100 megawatts, if the commission finds that no substantial adverse impact on the environment or energy resources will result from the construction or operation of the proposed facility or from the modifications. This bill would require any biological resources data submitted to the commission in an application for certification or small powerplant exemption pursuant to the above-described provisions to be made publicly available on the commission's docket as part of the certification proceeding unless the Department of Fish and Wildlife makes a written determination that the data to be made public includes specified location data, the disclosure of which would pose a significant risk to individuals of the species.

AB 735 (Carrillo, D) **Planning and zoning: logistics use: truck routes.**

Introduced: 02/18/2025

Last Amended: 04/24/2025

Status: 04/24/2025 - From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

Calendar: 04/30/25 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN, Chair

Location: 03/10/2025 - Assembly Local Government

Summary: Current law, beginning January 1, 2026, prescribes various statewide warehouse design and build standards for any proposed new or expanded logistics use developments, as specified, including, among other things, standards for building design and location, parking, truck loading bays, landscaping buffers, entry gates, and signage. Current law defines various terms, including "21st century warehouse," and "tier 1 21st century warehouse," for purposes of those provisions as logistics uses that, among other things, comply with specified building and energy efficiency standards, including requirements related to the availability of conduits and electrical hookups to power climate control equipment at loading bays, as specified. Existing law, subject to specified exceptions, defines "logistics use" for these purposes to mean a building in which cargo, goods, or products are moved or stored for later distribution to business or retail customers, or both, that does not predominantly serve retail customers for onsite purchases, and heavy-duty trucks are primarily involved in the movement of the cargo, goods, or products. This bill would clarify that a 21st century warehouse and a tier 1 21st century warehouse are required to comply with those standards as are in effect at the time that the building permit for a development of a 21st century warehouse is issued and make other clarifying changes relating to permissibility of use of conduits and electrical hookups at loading bays at those locations.

AB 810 (**Irwin, D**) **Local government: internet websites and email addresses.**

Introduced: 02/19/2025

Last Amended: 04/10/2025

Status: 04/23/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 0.) (April 22). Re-referred to Com. on APPR.

Location: 04/23/2025 - Assembly Appropriations

Summary: Current law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a ".gov" top-level domain or a ".ca.gov" second-level domain no later than January 1, 2029. Current law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a ".gov" domain name or a ".ca.gov" domain name no later than January 1, 2029. Current law defines "local agency" for these purposes as a city, county, or city and county. This bill would recast these provisions by instead requiring a city, county, or city and county to comply with the above-described domain requirements and by deleting the term "local agency" from the above-described provisions. The bill would also require a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than January 1, 2031.

AB 830 (**Rogers, D**) **State highways: encroachment permits: relocating or removing encroachments: public utility districts.**

Introduced: 02/19/2025

Last Amended: 04/09/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 21). Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: Current law authorizes the Department of Transportation to issue written permits to, among other things, place, change, or renew an encroachment. Current law requires a permit issued to a county, city, public corporation, or political subdivision that is authorized by law to establish or maintain any works or facilities in, under, or over any public highway, to contain a provision that, in the event the future improvement of the highway necessitates the relocation or removal of the encroachment, the permittee will relocate or remove the encroachment at the permittee's sole expense, as provided. This bill would exempt a public utility district with a ratepayer base of 5,000 households or fewer from the above-described provision and instead would require the department to bear the sole expense of relocating or removing the public utility district's encroachment in the event a future improvement of the highway necessitates the relocation or removal of the encroachment and to notify the public utility district at each stage of a project that necessitates the relocation or removal of the public utility district's encroachment.

AB 840 (**Ta, R**) **Outdoor advertising displays: redevelopment agency project areas.**

Introduced: 02/19/2025

Status: 03/10/2025 - Referred to Com. on G.O.

Location: 03/10/2025 - Assembly Governmental Organization

Summary: The Outdoor Advertising Act regulates the placement of an off-premises advertising display along highways that generally advertises business conducted or services rendered or goods produced or sold at a location other than the property where the display is located. The act does not apply to an on-premises advertising display, which generally advertises business conducted, services rendered, or goods produced or sold at the location where the display is located. However, the act authorizes an off-premises advertising display developed as part of and within the boundary limits of a redevelopment agency project, as those boundaries existed on December 29, 2011, to continue to exist and be considered an on-premises display if it meets certain criteria, and authorizes such a display to remain until January 1, 2026. This bill would extend by 2 years, until January 1, 2028, the authorization to remain for an off-premises advertising display developed as part of and within the boundary limits of a redevelopment agency project, as described above.

AB 861 (**Solache, D**) **Community colleges: students: public transportation: Los Angeles Community College District.**

Introduced: 02/19/2025

Last Amended: 04/24/2025

Status: 04/24/2025 - Read second time and amended.

Location: 04/23/2025 - Assembly Transportation

Summary: Current law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Current law creates the Los Angeles County Metropolitan Transportation Authority ("LA Metro") with specified powers and duties relative to transportation planning, programming, and operations in the County of Los Angeles. This bill would (1) require the Los Angeles Community College District to annually enter into a memorandum of understanding with LA Metro for purposes of providing GoPass TAP cards to participating students enrolled at a campus of the community college district, as specified, and (2) establish a student ambassador program within LA Metro where students assist with security, rider assistance, and facility upkeep on LA Metro rail and bus lines serving campuses of the Los Angeles Community College District. The bill would require the Los Angeles Community College District to submit an annual report to the Department of Finance and the budget committees of the Assembly and Senate that includes specified information about the transit pass program and the student ambassador program.

AB 875 (**Muratsuchi, D**) **Vehicle removal.**

Introduced: 02/19/2025

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/28/2025 - Assembly Transportation

Summary: Current law authorizes a peace officer or a regularly employed and salaried employee who is engaged in directing traffic or enforcing parking laws and regulations to remove a vehicle when, among other things, the officer arrests a person driving or in control of a vehicle for an alleged offense, and the officer is, by the Vehicle Code or other law, required or permitted to take, and does take, the person into custody. This bill would additionally authorize a peace officer to remove a vehicle that (1) has fewer than 4 wheels, but that does not meet the definition of an electric bicycle, if that vehicle is powered by an electric motor capable of exclusively propelling the vehicle in excess of 20 miles per hour on a highway and is being operated without a current vehicle registration or by an operator without a current license to operate the vehicle, or (2) is a class 3 electric bicycle being operated by a person under 16 years of age. The bill would authorize a city, county, or city and county to adopt a regulation, ordinance, or resolution imposing charges equal to its administrative costs relating to the removal, seizure, and storage costs of the vehicle, as provided.

AB 883 (**Lowenthal, D**) **California Public Records Act: personal information of elected and appointed officials.**

Introduced: 02/19/2025

Last Amended: 03/24/2025

Status: 04/09/2025 - In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 03/24/2025 - Assembly Judiciary

Summary: The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. That act, among other things, prohibits a state or local agency from publicly posting the home address, telephone number, or both the name and assessor parcel number associated with the home address of any elected or appointed official on the internet without first obtaining the written permission of that individual. The act also makes it a misdemeanor for a person to knowingly post the home address or telephone number of any elected or appointed official, or of the official's residing spouse or child, on the internet, knowing that person is an elected or appointed official and intending to cause imminent great bodily harm or threatening to cause imminent great bodily harm, as provided. The act additionally prohibits a person, business, or association from soliciting, selling, or trading on the internet the home address or telephone number of an elected or appointed official with the intent to cause imminent great bodily harm to the official or to any person residing at the official's home address. The act further prohibits a person, business, or association from publicly posting or publicly displaying on the internet the home address or telephone number of any elected or appointed official if that official has made a written demand of that person, business, or association to not disclose the official's home address or telephone number. This bill would remove the references in those provisions to the home address, telephone number, name, and assessor's parcel number, and instead prohibit the disclosure of protected information under those provisions. The bill would define the term "protected information" to include, among other things, an individual's residential address, telephone number, social security number, or driver's license number.

AB 889 (**Hadwick, R**) **Prevailing wage: per diem wages.**

Introduced: 02/19/2025

Status: 04/03/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (April 2). Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/03/2025 - Assembly Appropriations

Summary: Current law requires workers employed on public works to be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality that the public work is performed, as prescribed, unless an exception applies. Current law requires the Director of the Department of Industrial Relations to determine the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is to be performed. Under current law, per diem wages include certain employer payments made pursuant to a collective bargaining agreement or for a program or committee established under the federal Labor Management Cooperation Act of 1978, as specified. Current law provides that these payments are a credit against the obligation to pay the general prevailing rate of per diem wages. Current law requires the credit for employer payments to be computed on an annualized basis where the employer seeks credit for employer payments that are higher for public works projects than for private construction performed by the same employer, except under certain circumstances, including a determination by the director that annualization would not serve the purposes of the provisions relating to public works projects. This bill would remove that exception and revoke annualization exemptions authorized by the director prior to January 1, 2026. The bill would authorize an employer to take full credit for the hourly amounts contributed to defined contribution pension plans that provide for both immediate participation and immediate vesting even if the employer contributes at a lower rate or does not make contributions to private construction. The bill would require the employer to prove that the credit for employer payments was calculated properly.

AB 891 (Zbur, D) **Transportation: Quick-Build Project Pilot Program.**

Introduced: 02/19/2025

Status: 04/08/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 4.) (April 7). Re-referred to Com. on APPR.

Location: 04/07/2025 - Assembly Appropriations

Summary: Would establish the Quick-Build Project Pilot Program within the Department of Transportation's maintenance program to expedite development and implementation of low-cost projects on the state highway system, as specified. The bill would require the department, on or before December 31, 2027, to develop and publish guidance for the deployment of district quick-build projects. The bill would require the department, on or before December 31, 2028, to identify and commit to funding a minimum of 6 quick-build projects statewide.

AB 902 (Schultz, D) **Transportation planning and programming: barriers to wildlife movement.**

Introduced: 02/19/2025

Last Amended: 04/23/2025

Status: 04/24/2025 - Re-referred to Com. on L. GOV. Re-referred to Com. on APPR. pursuant to Assembly Rule 96.

Location: 04/24/2025 - Assembly Appropriations

Summary: Current law establishes the Transportation Wildlife Connectivity Remediation Program, which is administered by the Department of Transportation (Caltrans), in consultation with the Department of Fish and Wildlife (DFW), for the purposes of improving wildlife connectivity across transportation systems in connectivity areas, as defined. As part of the program, current law requires Caltrans to develop a program of projects that support the remediation and improvement of wildlife connectivity across transportation systems, as provided. Current law authorizes Caltrans to receive compensatory mitigation credits for the implementation of a project in the program of projects if DFW concurs with the creation of those credits. This bill would require a lead agency to incorporate appropriate wildlife passage features into a transportation infrastructure project in a connectivity area, as specified.

AB 905 (Pacheco, D) **State general obligation bonds: disclosure requirements.**

Introduced: 02/19/2025

Last Amended: 03/28/2025

Status: 04/24/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 22. Noes 0.) (April 23). Re-referred to Com. on APPR.

Location: 04/23/2025 - Assembly Appropriations

Summary: The State General Obligation Bond Law generally sets forth the procedures for the issuance and sale of bonds governed by its provisions and for the disbursal of the proceeds of the sale of those bonds. Current law requires any state bond measure approved on or after January 1, 2004, to be subject to an annual reporting process, with the head of the lead state agency administering the bond proceeds reporting certain information about the projects being funded to the Legislature and the Department of Finance. Current law allows this information to be provided on the agency's internet website or the state's open data portal under certain circumstances. This bill would require a bond act for any state general obligation bond measure that is approved by voters on and after January 1, 2026, to include specified information about the objectives of the bond expenditure and related data. The bill would also require the head of the lead state agency administering the bond to post on its internet website a notification that contains, among other information, details about the programs and projects authorized to be funded by the bond. (Based on 03/28/2025 text)

AB 911 (Carrillo, D) **Emergency telecommunications medium- and heavy-duty zero-emission vehicles.**

Introduced: 02/19/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: The State Air Resources Board has adopted the Advanced Clean Fleets Regulations, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles, as provided. This bill would exempt emergency telecommunications vehicles owned or purchased by emergency telecommunications service providers that are used to participate in the federal Emergency Alert System, to provide access to 911 emergency services, or to provide wireless connectivity during service outages from specified requirements in the above-described regulations.

AB 914 (Garcia, D) **Air pollution: indirect sources: toxic air contaminants.**

Introduced: 02/19/2025

Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on NAT. RES.

Calendar: 04/28/25 A-NATURAL RESOURCES 2:30 p.m. - State Capitol, Room 437 BRYAN, ISAAC, Chair

Location: 03/24/2025 - Assembly Natural Resources

Summary: Current law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Current law authorizes air districts to adopt and implement regulations to reduce or mitigate emissions from indirect sources of air pollution. This bill would require the state board to adopt and enforce rules and regulations applicable to indirect sources of emissions, as specified. If the state board elects to exercise that authority, the bill would require the state board to establish a schedule of fees on facilities and mobile sources to cover the reasonable costs of implementing and enforcing the regulations and would require the fees to be deposited in the Air Pollution Control Fund and made available to the state board upon appropriation by the Legislature.

AB 939 (Schultz, D) **The Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026.**

Introduced: 02/19/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Location: 03/10/2025 - Assembly Transportation

Summary: Would enact the Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026 which, if approved by the voters, would authorize the issuance of bonds in the amount of $20,000,000,000 pursuant to the State General Obligation Bond Law to finance transit and passenger rail improvements, local streets and roads and active transportation projects, zero-emission vehicle investments, transportation freight infrastructure improvements, and grade separations and other critical safety improvements. The bill would provide for the submission of the bond act to the voters at the November 3, 2026, statewide general election.

AB 954 (Bennett, D) **State transportation improvement program: bicycle highway pilot program.**

Introduced: 02/20/2025

Status: 04/09/2025 - Introduced measure version corrected.

Location: 04/07/2025 - Assembly Appropriations

Summary: Current law establishes the state transportation improvement program (STIP) process, pursuant to which the California Transportation Commission programs, on a biennial basis, available state and federal funds for transportation capital improvement projects, other than state highway rehabilitation and repair projects, for the 5-year period of the STIP, based on the interregional transportation improvement program (ITIP) prepared by the Department of Transportation and the regional transportation improvement programs (RTIP) prepared by regional transportation planning agencies. This bill would require the department to prepare a proposal for the development, including the selection, of sites for a pilot program establishing branded networks of bicycle highways that are numbered and signed within 2 of California's major metropolitan areas. The bill would require the department, on or before January 1, 2030, to include the proposal in the draft ITIP and would require the department to perform all other actions necessary for the pilot program to be programmed in the STIP, as specified.

AB 963 (**Petrie-Norris, D**) **Public works: prevailing wages: access to records.**

Introduced: 02/20/2025

Status: 04/24/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 23). Re-referred to Com. on APPR.

Location: 04/24/2025 - Assembly Appropriations

Summary: Current law requires the Labor Commissioner to investigate allegations that a contractor or subcontractor violated the law regulating public works projects, including the payment of prevailing wages. Current law requires each contractor and subcontractor on a public works project to keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Current law requires any copy of records made available for inspection as copies and furnished upon request to the public or any public agency to be marked or obliterated to prevent disclosure of an individual's name, address, and social security number but specifies that any copy of records made available to a Taft-Hartley trust fund for the purposes of allocating contributions to participants be marked or obliterated only to prevent disclosure of an individual's full social security number, as specified. This bill would require an owner or developer, as defined, undertaking any public works project to make specified records available upon request to the Division of Labor Standards Enforcement, to multiemployer Taft-Hartley trust funds, and to joint labor-management committees, as specified. The bill would also apply this requirement to an owner or developer that undertakes a development project that includes work subject to the requirements of public works.

AB 968 (Boerner), which pertained to electric bicycles, was amended to pertain to self-administered FDA-approved nonhormonal contraceptives, therefore, it has been removed from the matrix.

AB 965 (**Dixon, R**) **Vehicles: electric bicycles.**

Introduced: 02/20/2025

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: Current law defines an electric bicycle and classifies electric bicycles into 3 classes with different restrictions. Under existing law, a "class 1 electric bicycle" is a bicycle equipped with a motor that, among other things, provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour. Under current law, a "class 2 electric bicycle" is a bicycle equipped with a motor that may be used exclusively to propel the bicycle and is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour. Under current law, a "class 3 electric bicycle" is a bicycle equipped with a speedometer and a motor that, in pertinent part, provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour. Current law prohibits a person under 16 years of age from operating a class 3 electric bicycle. A violation of this provision is punishable as an infraction. This bill would prohibit a person from selling a class 3 electric bicycle to a person under 16 years of age and would make a violation of that prohibition an infraction punishable by a fine not to exceed $250.

AB 975 (Gallagher), which pertained to the California Environmental Quality Act exemptions on culverts and bridges, was amended to pertain only to the County of Sutter, therefore, it has been removed from the matrix.

AB 978 (**Hoover, R**) **Department of Transportation and local agencies: streets and highways: recycled materials.**

Introduced: 02/20/2025

Last Amended: 04/01/2025

Status: 04/08/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (April 7). Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/07/2025 - Assembly Appropriations

Summary: Current law requires a local agency that has jurisdiction over a street or highway, to the extent feasible and cost effective, to apply standard specifications that allow for the use of recycled materials in streets and highways, except as provided. Current law requires, until January 1, 2027, those standard specifications to allow recycled materials at or above the level allowed in the department's standard specifications that went into effect on October 22, 2018, for specified materials. This bill would indefinitely require a local government's standard specifications to allow recycled materials at a level no less than the level allowed in the department's specifications for those specified materials. If a local agency's standard specifications do not allow for the use of recycled materials at a level that is equal to or greater than the level allowed in the department's standard specifications on the basis that the use of those recycled materials at those levels is not feasible, the bill would require the local agency to provide the reason for that determination upon request. By increasing the duties of local agencies, the bill would impose a state-mandated local program.

AB 986 (**Muratsuchi, D**) **State of emergency and local emergency: landslides and climate change.**

Introduced: 02/20/2025

Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on E.M.

Calendar: 04/28/25 A-EMERGENCY MANAGEMENT 2:30 p.m. - State Capitol, Room 444 RANSOM, RHODESIA, Chair

Location: 03/24/2025 - Assembly Emergency Management

Summary: The California Emergency Services Act authorizes the Governor to declare a state of emergency, and local officials and local governments to declare a local emergency, when specified conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor or the appropriate local government to exercise certain powers in response to that emergency. Current law defines 3 conditions or degrees of emergency for purposes of these provisions. This bill would additionally include a landslide and preexisting conditions exacerbated by climate change among those conditions constituting a state of emergency or local emergency.

AB 996 (**Pellerin, D**) **Public Resources: California Coastal Act of 1976: California Coastal Planning Fund: sea level rise plans.**

Introduced: 02/20/2025 (Spot bill)

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on NAT. RES.

Calendar: 04/28/25 A-NATURAL RESOURCES 2:30 p.m. - State Capitol, Room 437 BRYAN, ISAAC, Chair

Location: 03/10/2025 - Assembly Natural Resources

Summary: The California Coastal Act of 1976 provides for the protection of California's coast and requires any person wishing to perform or undertake any development in the coastal zone, as defined, to obtain a coastal development permit, except as specified. The bill would establish the California Coastal Planning Fund in the State Treasury to help local governments adequately plan for the protection of coastal resources and public accessibility to the coastline. The bill would, upon appropriation by the Legislature, make moneys in the fund available to the California Coastal Commission for various state and local costs relating to local coastal program development and sea level rise plans and to administer the fund, as provided.

AB 1014 (Rogers, D) **Traffic safety: speed limits.**

Introduced: 02/20/2025

Last Amended: 04/08/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 14. Noes 1.) (April 21). Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: Current law establishes various default speed limits for vehicles upon highways, as specified. Existing law requires the Department of Transportation, by regulation, to require speed limits to be rounded up or down to the nearest 5 miles per hour of the 85th percentile of free-flowing traffic. Current law authorizes a local authority to additionally lower the speed limit in specified circumstances, or retain the currently adopted speed limit in certain circumstances. This bill would authorize the department to additionally lower or retain the speed limit in those specified circumstances.

AB 1015 (Patel, D) **Discrimination and harassment prevention training.**

Introduced: 02/20/2025

Status: 03/10/2025 - Referred to Com. on L. & E.

Location: 03/10/2025 - Assembly Labor and Employment

Summary: Current law requires a specified employer with 5 or more employees to, by January 1, 2021, provide at least 2 hours of classroom or other effective interactive training and education regarding sexual harassment to all supervisory employees and at least one hour of classroom or other effective interactive training and education regarding sexual harassment to all nonsupervisory employees in California and, after that date, once every 2 years. Current law requires that a method be provided for employees who have completed the training to save electronically and print a certificate of completion. Current law requires that an employee who has received training in compliance with these provisions within the prior 2 years either from a current or a prior employer be given, and be required to read and acknowledge receipt of, the employer's antiharassment policy within 6 months of assuming the employee's new position and requires that the employee then be put on a 2-year tracking schedule based on the employee's last training. This bill would authorize an employer to satisfy the training requirements by demonstrating that the employee possesses a certificate of completion within the past 2 years.

AB 1018 (Bauer-Kahan, D) **Automated decision systems.**

Introduced: 02/20/2025

Last Amended: 04/10/2025

Status: 04/23/2025 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 9. Noes 3.) (April 22). Re-referred to Com. on JUD.

Calendar: 04/29/25 A-JUDICIARY 8 a.m. - State Capitol, Room 437 KALRA, ASH, Chair

Location: 04/23/2025 - Assembly Judiciary

Summary: The California Fair Employment and Housing Act establishes the Civil Rights Department within the Business, Consumer Services, and Housing Agency and requires the department to, among other things, bring civil actions to enforce the act. Current law requires, on or before September 1, 2024, the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. This bill would generally regulate the development and deployment of an automated decision system (ADS) used to make consequential decisions, as defined. The bill would define "automated decision system" to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is designed or used to assist or replace human discretionary decisionmaking and materially impacts natural persons.

AB 1022 (**Kalra, D**) **Authority to remove vehicles.**

Introduced: 02/20/2025

Status: 04/22/2025 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 3.) (April 21). Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: Current law authorizes a peace officer, as defined, or a regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city, county, or jurisdiction of a state agency in which a vehicle is located, to remove a vehicle located within the territorial limits in which the officer or employee may act, under designated circumstances, including, but not limited to, when a vehicle is found upon a highway or public land, or removed pursuant to the Vehicle Code, and it is known that the vehicle has been issued 5 or more notices of parking violations to which the owner or person in control of the vehicle has not responded within designated time periods, or the registered owner of the vehicle is known to have been issued 5 or more notices for failure to pay or failure to appear in court for traffic violations for which a certificate has not been issued by the magistrate or clerk of the court hearing the case, as specified. Under current law, a vehicle that has been removed and impounded under those circumstances that is not released may be subject to a lien sale to compensate for the costs of towage and for caring for and keeping safe the vehicle. This bill would remove the authority of a peace officer or public employee, as appropriate, to remove a vehicle under the above-described circumstances, and make conforming changes.

AB 1058 (**Gonzalez, Jeff, R**) **Motor Vehicle Fuel Tax Law: suspension of tax.**

Introduced: 02/20/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Location: 03/10/2025 - Assembly Transportation

Summary: The Motor Vehicle Fuel Tax Law imposes a tax upon each gallon of motor vehicle fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Current unfair competition laws establish a statutory cause of action for unfair competition, including any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising and acts prohibited by false advertisement laws. This bill would suspend the imposition of the tax on motor vehicle fuels for one year. The bill would require that all savings realized based on the suspension of the motor vehicle fuels tax by a person other than an end consumer, as defined, be passed on to the end consumer, and would make the violation of this requirement an unfair business practice, in violation of unfair competition laws, as provided. The bill would require a seller of motor vehicle fuels to provide a receipt to a purchaser that indicates the amount of tax that would have otherwise applied to the transaction.

AB 1067 (Quirk-Silva, D) **Public employees' retirement: felony convictions.**

Introduced: 02/20/2025

Last Amended: 04/24/2025

Status: 04/24/2025 - Read second time and amended.

Location: 04/23/2025 - Assembly Appropriations

Summary: The California Public Employees' Pension Reform Act of 2013 requires a public employee who is convicted of any state or federal felony for conduct arising out of, or in the performance of, the public employee's official duties in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, to forfeit all accrued rights and benefits in any public retirement system from the earliest date of the commission of the felony to the date of conviction, and prohibits the public employee from accruing further benefits in that public retirement system. Current law defines "public employee" for purposes of these provisions to mean an officer, including one who is elected or appointed, or an employee of a public employer. Current law also requires an elected public officer, who takes public office, or is reelected to public office, on or after January 1, 2006, and who is convicted during or after holding office of any felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes arising directly out of their official duties as an elected public officer, to forfeit all rights and benefits under, and membership in, any public retirement system in which they are a member, effective on the date of final conviction, as provided. This bill would require a public employer that is investigating a public employee for misconduct arising out of or in the performance of, the public employee's official duties in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, to continue the investigation even if the public employee retires while under investigation. The bill would require a public employer, if the investigation indicates that the public employee may have committed a crime, to refer the matter to the appropriate law enforcement agency.

AB 1070 (Ward, D) **Transit districts: governing boards: compensation: nonvoting members.**

Introduced: 02/20/2025

Last Amended: 04/03/2025

Status: 04/23/2025 - In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 03/17/2025 - Assembly Local Government

Summary: Current law provides for the formation of various transit districts and specifies the duties and powers of their governing boards. Current law authorizes a transit district to compensate a member of the governing board for attending a board meeting and for engaging in other district business, as provided. This bill would prohibit a transit district from compensating a member of the governing board unless the member demonstrates personal use of the transit system, as specified. The bill would require the governing board of a transit district to include 2 nonvoting members and 4 alternate nonvoting members, as specified. The bill would require nonvoting members and alternate nonvoting members to have certain rights and protections, including the right to attend and participate in all public meetings of the governing board, except as specified. The bill would require the chair of the governing board of a transit district to exclude these nonvoting members from meetings discussing, among other things, negotiations with labor organizations.

AB 1085 (**Stefani, D**) **License plates: obstruction or alteration.**

Introduced: 02/20/2025

Last Amended: 04/08/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 21). Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: Current law prohibits a person from erasing the reflective coating of, painting over the reflective coating of, or altering a license plate to avoid visual or electronic capture of the license plate or its characters by state or local law enforcement. Current law prohibits a person from installing or affixing on a vehicle a casing, shield, frame, border, product, or other device that obstructs or impairs the reading or recognition of a license plate by an electronic device operated by state or local law enforcement, an electronic device operated in connection with a toll road, high-occupancy toll lane, toll bridge, or other toll facility, or a remote emission sensing device, as specified. Current law also prohibits the sale of a product or device that obscures, or is intended to obscure, the reading or recognition of a license plate by visual means, or by an electronic device in violation of the above-described provisions. A conviction for a violation of this provision is punishable by a fine of two hundred fifty dollars $250 per item sold or per violation. A violation of the Vehicle Code is a crime. This bill would further prohibit a person from installing or affixing a shade or tint that obstructs the reading or recognition of a license plate by an electronic device operated by state or local law enforcement, an electronic device operated in connection with a toll road, high-occupancy toll lane, toll bridge, or other toll facility, or a remote emission sensing device, as specified.

AB 1091 (**Gallagher, R**) **Vehicles: license plates: 8-letter license plates.**

Introduced: 02/20/2025

Last Amended: 03/12/2025

Status: 03/13/2025 - Re-referred to Com. on TRANS.

Location: 03/10/2025 - Assembly Transportation

Summary: Current law authorizes the Department of Motor Vehicles to issue or renew environmental license plates to provide revenue for the California Environmental License Plate Fund that indicate on the plates the combination of letters or numbers, or both, requested as a registration number by the applicant, to be displayed on the applicant's vehicle in lieu of regular license plates. Current law imposes fees for the issuance or renewal of an environmental license plate, in addition to the regular registration and renewal fees. Current law also establishes procedures for the cancellation, transfer, or retention of the environmental license plates and requires the payment or reimbursement of additional fees in connection with those transactions, as specified. This bill would establish a similar program, to be known as the "8-letter license plate" program, for the support of the Natural and Agricultural Open Space and State Recreational Support Fund, which would be created by the bill. The bill would impose additional fees, including, but not limited to, fees for the issuance and renewal of an 8-letter license plate, as specified.

AB 1114 (**Ávila Farías, D**) **Emergency vehicles: fee and toll exemptions.**

Introduced: 02/20/2025

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: Current law provides for the exemption of authorized emergency vehicles from the payment of a toll or charge on a vehicular crossing, toll highway, or high-occupancy toll (HOT) lane and any related fines, when the authorized emergency vehicle is being driven under specified conditions, including, among others, the vehicle is displaying an exempt license plate and a public agency identification, such as "Police." This bill would extend the exemption from fees imposed under the Vehicle Code to a vehicle owned by a public or private entity used as an authorized emergency vehicle, as defined. The bill would include in the exemption of an authorized emergency vehicle exempt from the payment of a toll or charge a vehicle displaying an exempt license plate and "Ambulance."

AB 1132 (Schiavo, D) **Department of Transportation: climate change vulnerability assessment: community resilience assessment.**

Introduced: 02/20/2025

Last Amended: 04/10/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 1.) (April 21). Re-referred to Com. on APPR.

Location: 04/22/2025 - Assembly Appropriations

Summary: Would require the Department of Transportation, on or before January 1, 2029, to identify key community resilience indicators for measuring the impacts of climate-induced transportation disruptions, as specified. The bill would also require the department, on or before January 1, 2030, to include in the Climate Change Vulnerability Assessment reports an evaluation of the broader social and economic impacts on communities connected to the evaluated infrastructure risks, as specified.

AB 1141 (Lee, D) **Alameda-Contra Costa Transit District: board of directors: election: compensation.**

Introduced: 02/20/2025

Status: 04/10/2025 - From committee: Do pass and re-refer to Com. on TRANS. with recommendation: To Consent Calendar. (Ayes 10. Noes 0.) (April 9). Re-referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 04/09/2025 - Assembly Transportation

Summary: Existing law establishes procedures for the formation of the Alameda-Contra Costa Transit District and specifies the powers and duties of the transit district. Existing law vests the government of the district in a board of directors comprised of 7 directors, one from each ward, and 2 elected at large. Existing law requires a nomination paper for a candidate seeking election to a directorship to be signed by 50 voters, if seeking to be elected by ward, and by 100 voters, if seeking to be elected at large. Existing law provides 4-year terms for directors, as specified. Existing law contains obsolete requirements governing the term lengths for directors elected at the initial election following the formation of the district. This bill would eliminate directors at large and would instead require all 7 directors to be elected from wards. The bill would specify the terms of office for the directors elected at the November 3, 2026, and November 7, 2028, statewide general elections. The bill would repeal the obsolete provisions governing the initial election. To the extent this bill would increase the district's duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 1145 (Gonzalez, Jeff, R) **State highways: safety: report.**

Introduced: 02/20/2025 (Spot bill)

Last Amended: 04/21/2025

Status: 04/22/2025 - Re-referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/24/2025 - Assembly Transportation

Summary: Would require the Department of Transportation, on or before December 31, 2027, to conduct a study on highway safety on the state highway system, including, but not limited to, State Highway Route 74. The bill would require the study to collect specified data, disaggregated by state highway, over the preceding 10 years, as provided, and to develop recommendations to improve highway safety on the state highway system, including recommendations on how to address enforcement facility bypassing, as specified. The bill would require the department to report its findings and recommendations to the Legislature on or before December 31, 2027. The bill would repeal these provisions as of January 1, 2029. (Based on 04/21/2025 text)

AB 1223 (**Nguyen, D**) **Local Transportation Authority and Improvement Act: Sacramento Transportation Authority.**

Introduced: 02/21/2025 (Spot bill)

Last Amended: 04/24/2025

Status: 04/24/2025 - Read second time and amended.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 04/23/2025 - Assembly Transportation

Summary: The Local Transportation Authority and Improvement Act authorizes a county board of supervisors to create or otherwise designate a local transportation authority in the county that may impose a transactions and use tax for transportation purposes subject to voter approval and other specified requirements. Pursuant to that authority, the county board of supervisors of the County of Sacramento created the Sacramento Transportation Authority (STA). This bill would provide that the allowable expenditure categories for revenues from a tax imposed by STA include the construction, modernization, and improvement of infrastructure, as defined, that supports infill or transit-oriented development and would reduce vehicle miles traveled.

AB 1237 (**McKinnor, D**) **Counties of Los Angeles and Santa Clara: sporting events: ticket charge: public transit.**

Introduced: 02/21/2025

Last Amended: 04/23/2025

Status: 04/24/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #68 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 04/24/2025 - Assembly THIRD READING

Summary: Would authorize Santa Clara Valley Transportation Authority (VTA) to impose a charge of up to $5 on the purchaser of a ticket from a ticket vendor to a sporting event in the County of Santa Clara held as part of the 2026 FIFA World Cup or the 2026 NCAA Men's or Women's Basketball Championship, as specified. The bill would require VTA to use any revenues collected from the charge to support its transit operations. The bill would require VTA, if it imposes the charge, to allow any person to use its transit services at no charge on the day of one of those sporting events if the person presents a ticket to that sporting event at the location where VTA collects fares for transit services. The bill would require VTA, if it imposes the charge, to prepare and submit a report to the Legislature on or before January 1, 2027, that includes specified information regarding implementation of the bill.

AB 1243 (**Addis, D**) **Polluters Pay Climate Superfund Act of 2025.**

Introduced: 02/21/2025

Last Amended: 04/10/2025

Status: 04/22/2025 - Coauthors revised. From committee: Do pass and re-refer to Com. on JUD. (Ayes 9. Noes 4.) (April 21). Re-referred to Com. on JUD.

Calendar: 04/29/25 A-JUDICIARY 8 a.m. - State Capitol, Room 437 KALRA, ASH, Chair

Location: 04/22/2025 - Assembly Judiciary

Summary: The California Climate Crisis Act declares that it is the policy of the state both to achieve net-zero greenhouse gas emissions as soon as possible, but no later than 2045, and achieve and maintain net-negative greenhouse gas emissions thereafter, and to ensure that by 2045, statewide anthropogenic greenhouse gas emissions are reduced to at least 85% below the 1990 levels. This bill would enact the Polluters Pay Climate Superfund Act of 2025 and would establish the Polluters Pay Climate Superfund Program to be administered by the California Environmental Protection Agency to require fossil fuel polluters to pay their fair share of the damage caused by greenhouse gases released into the atmosphere during the covered period, which the bill would define as the time period between the 1990 and 2024 calendar years, inclusive, resulting from the extraction, production, refining, sale, or combustion of fossil fuels or petroleum products, to relieve a portion of the burden to address cost borne by current and future California taxpayers. The bill would require the agency, within 90 days of the effective date of the act, to determine and publish a list of responsible parties, which the bill would define as an entity with a majority ownership interest in a business engaged in extracting or refining fossil fuels that, during the covered period, did business in the state or otherwise had sufficient contact with the state, and is determined by the agency to be responsible for more than 1,000,000,000 metric tons of covered fossil fuel emissions, as defined, in aggregate globally, during the covered period.

AB 1244 (**Wicks, D**) **California Environmental Quality Act: transportation impact mitigation: Transit-Oriented Development Implementation Program.**

Introduced: 02/21/2025

Last Amended: 04/10/2025

Status: 04/21/2025 - Re-referred to Com. on TRANS.

Calendar: 04/28/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/17/2025 - Assembly TRANS

Summary: Under the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, revenues from a 1/4 percent sales tax in each county are, among other things, available for allocation by the transportation planning agency to transit operators and for community transit services. Current law requires a transit operator that receives funds through the Mills-Alquist-Deddeh Act and that provides dial-a-ride or paratransit service to provide those services consistent with certain requirements. This bill would prohibit, on and after January 1, 2027, those transit operators from requiring a person who receives, or is eligible to receive, paratransit services based on a disability or medical condition, and whose condition cannot reasonably be expected to improve, to recertify their eligibility, unless the person has a temporary eligibility or there is a review to broaden the person's eligibility, as specified. The bill would require a temporary eligibility to be valid for 180 days or until the date indicated by the person's medical professional, as specified. The bill would prohibit renewal of temporary eligibility more than 6 consecutive times. To the extent the bill would impose additional duties on a local agency, it would impose a state-mandated local program.

AB 1250 (**Diane, D**) **Transit operators: paratransit: recertification of eligibility.**

Introduced: 02/21/2025

Last Amended: 04/23/2025

Status: 04/24/2025 - Re-referred to Com. on H. & C.D.

Calendar: 04/30/25 A-HOUSING AND COMMUNITY DEVELOPMENT 9:30 a.m. - State Capitol, Room 437 HANEY, MATT, Chair

Location: 04/21/2025 - Assembly Housing and Community Development

Summary: Under the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, revenues from a 1/4 percent sales tax in each county are, among other things, available for allocation by the transportation planning agency to transit operators and for community transit services. Current law requires a transit operator that receives funds through the Mills-Alquist-Deddeh Act and that provides dial-a-ride or paratransit service to provide those services consistent with certain requirements. This bill would prohibit, on and after January 1, 2027, those transit operators from requiring a person who receives, or is eligible to receive, paratransit services based on a disability or medical condition, and whose condition cannot reasonably be expected to improve, to recertify their eligibility, unless the person has a temporary eligibility or there is a review to broaden the person's eligibility, as specified. The bill would require a temporary eligibility to be valid for 180 days or until the date indicated by the person's medical professional, as specified. The bill would prohibit renewal of temporary eligibility more than 6 consecutive times. To the extent the bill would impose additional duties on a local agency, it would impose a state-mandated local program.

AB 1268 (**Macedo, R**) **Motor Vehicle Fuel Tax Law: adjustment suspension.**

Introduced: 02/21/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Location: 03/10/2025 - Assembly Transportation

Summary: The Motor Vehicle Fuel Tax Law, administered by the California Department of Tax and Fee Administration, imposes a tax upon each gallon of motor vehicle fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Current law requires the department to adjust the tax on July 1 each year by a percentage amount equal to the increase in the California Consumer Price Index, as calculated by the Department of Finance. Article XIX of the California Constitution restricts the expenditure of revenues from the Motor Vehicle Fuel Tax Law, Diesel Fuel Tax Law, and other taxes imposed by the state on fuels used in motor vehicles upon public streets and highways to street and highway and certain mass transit purposes. This bill would authorize the Governor to suspend an adjustment to the motor vehicle fuel tax, as described above, scheduled on or after July 1, 2025, upon making a determination that increasing the rate would impose an undue burden on low-income and middle-class families.

AB 1275 (**Elhawary, D**) **Regional housing needs: regional transportation plan.**

Introduced: 02/21/2025 (Spot bill)

Last Amended: 04/24/2025

Status: 04/24/2025 - Assembly Rule 56 suspended. (Pending re-refer to Com. on L. GOV.) From committee: Do pass and re-refer to Com. on L. GOV. with recommendation: To Consent Calendar. (Ayes 11. Noes 0.) (April 24). Re-referred to Com. on L. GOV. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

Calendar: 04/30/25 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN, Chair

Location: 04/24/2025 - Assembly Local Government

Summary: The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries and requires the general plan to include, among other mandatory elements, a housing element, and requires the housing element to include, among other things, an inventory of land suitable and available for residential development. Current law requires, for the 4th and subsequent revisions of the housing element, the department to determine the existing and projected need for housing for each region, as specified. Current law requires the department, in consultation with the council of governments, to determine the existing and projected need of housing for each region at least 2 years prior to the scheduled revision of the housing element, as provided. Current law requires the department to meet and consult with the council of governments regarding the assumptions and methodology to be used to determine the region's housing needs at least 26 months prior to the scheduled revision of the housing element, as provided. This bill, except as specified, would extend the above-described timeline for the department to determine the existing and projected need of housing for each region from 2 years to 3 years prior to the scheduled revision of the housing element, and the above-described timeline to meet and consult with a council of governments from at least 26 months to at least 38 months prior to the scheduled revision of the housing element, respectively.

AB 1286 (**Boerner, D**) **Political Reform Act of 1974: prospective employment.**

Introduced: 02/21/2025 (Spot bill)

Last Amended: 04/10/2025

Status: 04/21/2025 - Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/09/2025 - Assembly Appropriations

Summary: The Political Reform Act of 1974 requires specified public officials to file statements disclosing their investments and interests in real property on the date they assume office, and income received during the 12 months before assuming office, and to file subsequent statements at intervals specified by regulations of the Fair Political Practices Commission and upon leaving office. This bill would also require those public officials to disclose arrangements for prospective employment according to specified deadlines. The bill would define "arrangement for prospective employment" as an agreement pursuant to which a prospective employer's offer of employment has been accepted by the prospective employee.

AB 1290 (**Wilson, D**) **High-Speed Rail Authority: Senate confirmation.**

Introduced: 02/21/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Location: 03/10/2025 - Assembly Transportation

Summary: Current law creates the High-Speed Rail Authority with specified powers and duties relative to development and implementation of a high-speed train system. The authority is composed of 11 members, including 5 voting members appointed by the Governor, 4 voting members appointed by the Legislature, and 2 nonvoting legislative members. This bill would require that the members of the authority appointed by the Governor be subject to appointment with the advice and consent of the Senate.

AB 1300 (**Caloza, D**) **State and local government: data protection and privacy: immigration.**

Introduced: 02/21/2025 (Spot bill)

Last Amended: 03/28/2025

Status: 04/11/2025 - In committee: Hearing postponed by committee.

Location: 03/28/2025 - Assembly Judiciary

Summary: Would prohibit a state or local government agency from collecting immigration-related personally identifiable information unless it is explicitly required by law to do so and the collection is justified by a legitimate government purpose. The bill would prohibit a state or local government agency from sharing personally identifiable information with federal immigration enforcement agencies without a judicial warrant or court order. The bill would require any contract, agreement, or memorandum of understanding that facilitate data sharing between a state or local government agency and federal immigration enforcement authorities to comply with oversight mechanisms to ensure compliance with civil rights and privacy protections and be subject to review by the State Auditor, as described below. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. The bill would make these provisions enforceable by administrative action or by imposition of a civil penalty recovered by an action brought by the Attorney General.

AB 1326 (**Ahrens, D**) **Masks: individual or public health.**

Introduced: 02/21/2025

Last Amended: 04/03/2025

Status: 04/10/2025 - Re-referred to Com. on HEALTH. pursuant to Assembly Rule 96.

Calendar: 04/29/25 A-HEALTH 1:30 p.m. - 1021 O Street, Room 1100 BONTA, MIA, Chair

Location: 04/10/2025 - Assembly Health

Summary: Current law sets forth various provisions on the wearing of a mask for health purposes. These circumstances include, among others, a statewide stockpile of personal protective equipment (PPE) in the event of a pandemic, wildfire smoke event, or other health emergency; employer-supplied PPE to employees who provide direct patient care in a general acute care hospital; employees of commercial cannabis businesses wearing a mask for respiration; and providing peace officers with an appropriate portable manual mask and airway assembly for use when applying cardiopulmonary resuscitation to prevent the spread of communicable disease. Under this bill, an individual would have the right to wear a mask on their face in a public place for the purpose of protecting their individual health or the public health, with regard to communicable disease, air quality, or other health factors. The bill would define a mask and a public place for purposes of this provision

AB 1331 (**Elhawary, D**) **Workplace surveillance.**

Introduced: 02/21/2025

Last Amended: 04/10/2025

Status: 04/24/2025 - From committee: Amend, and do pass as amended and re-refer to Com. on JUD. (Ayes 10. Noes 3.) (April 22).

Calendar: 04/28/25 #19 A-SECOND READING FILE -- ASSEMBLY BILLS

Location: 04/22/2025 - Assembly Judiciary

Summary: Current law establishes the Division of Labor Standards Enforcement within the Department of Industrial Relations. Current law authorizes the division, which is headed by the Labor Commissioner, to enforce the Labor Code and all labor laws of the state the enforcement of which is not specifically vested in any other officer, board or commission. This bill would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in off-duty areas, as specified. The bill would provide workers with the right to disable or leave behind workplace surveillance tools that are on their person or in their possession during off-duty hours, as specified.

AB 1337 (**Ward, D**) **Information Practices Act of 1977.**

Introduced: 02/21/2025

Last Amended: 04/08/2025

Status: 04/09/2025 - Re-referred to Com. on APPR.

Calendar: 04/30/25 A-APPROPRIATIONS 9 a.m. - 1021 O Street, Room 1100 WICKS, BUFFY, Chair

Location: 04/01/2025 - Assembly Appropriations

Summary: The Information Practices Act of 1977 prescribes a set of requirements, prohibitions, and remedies applicable to agencies, as defined, with regard to their collection, storage, and disclosure of personal information, as defined. Current law exempts from the provisions of the act counties, cities, any city and county, school districts, municipal corporations, districts, political subdivisions, and other local public agencies, as specified. This bill would recast those provisions to, among other things, remove that exemption for local agencies, and would revise and expand the definition of "personal information." The bill would make other technical, nonsubstantive, and conforming changes.

AB 1340 (**Wicks, D**) **Transportation network company drivers: labor relations.**

Introduced: 02/21/2025

Last Amended: 04/08/2025

Status: 04/24/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 0.) (April 23). Re-referred to Com. on APPR.

Location: 04/24/2025 - Assembly Appropriations

Summary: The Protect App-Based Drivers and Services Act added by Proposition 22, as approved by the voters at the November 3, 2020, statewide general election (the initiative), categorizes app-based drivers for network companies, as defined, as independent contractors if certain conditions are met. Current law requires, among other things, that the network company provide a health care subsidy to qualifying app-based drivers, provide a minimum level of compensation for app-based drivers, and not restrict app-based drivers from working in any other lawful occupation or business. Current case law holds that specified provisions of the initiative are invalid on separation of powers grounds; however, the court severed the unconstitutional provisions, allowing the rest of the initiative to remain in effect. Current law also establishes the Labor and Workforce Development Agency in state government under the supervision of the Secretary of Labor and Workforce Development, and charges the agency with oversight of specified departments, boards, and panels. This bill, the Transportation Network Company Drivers Labor Relations Act, would establish that transportation network company (TNC) drivers have the right to form, join, and participate in the activities of TNC driver organizations of their own choosing to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. The bill would provide that TNC drivers also have the right to refuse to join or participate in the activities of TNC driver organizations. The bill would require the Labor and Workforce Development Agency to enforce these provisions. The bill would define various terms for purposes of the act and would make related legislative policy statements.

AB 1371 (**Sharp-Collins, D**) **Occupational safety and health: employee refusal to perform hazardous tasks.**

Introduced: 02/21/2025

Status: 03/13/2025 - Referred to Com. on L. & E.

Location: 03/13/2025 - Assembly Labor and Employment

Summary: The California Occupational Safety and Health Act of 1973 requires employers to comply with certain safety and health standards, as specified, and charges the Division of Occupational Safety and Health in the Department of Industrial Relations with enforcement of the act. Current law prohibits an employer from laying off or discharging an employee for refusing to perform work that would violate prescribed safety standards where the violation would create a real and apparent hazard to the employee or other employees. Current law defines "employee" for purposes of those provisions to include a domestic work employee, except as specified. This bill would revise and recast those provisions to, among other things, allow an employee, acting in good faith, to refuse to perform a tasked assigned by an employer if it would violate those prescribed safety standards or if the employee has a reasonable apprehension that the performance of the assigned task would result in injury or illness to the employee or other employees. The bill would make the employee's refusal contingent on the employee or another employee, if reasonably practical, having communicated or attempted to notify the employer of the safety or health risk and the employer having failed to provide a response that is reasonably calculated to allay the employee's concerns.

AB 1372 (**Papan, D**) **Renewable electrical generation facilities: electrified commuter railroads: regenerative braking: net billing.**

Introduced: 02/21/2025 (Spot bill)

Last Amended: 03/25/2025

Status: 03/26/2025 - Re-referred to Com. on U. & E.

Calendar: 04/30/25 A-UTILITIES AND ENERGY Upon adjournment of Communications and Conveyance Committee - State Capitol, Room 437 PETRIE-NORRIS, COTTIE, Chair

Location: 03/24/2025 - Assembly Utilities and Energy

Summary: Current law requires every electric utility, except as provided, to develop a standard contract or tariff providing for net energy metering, and to make this standard contract or tariff available to eligible customer-generators using renewable electrical generation facilities, as specified. Pursuant to its authority, the commission issued a decision revising net energy metering tariff and subtariffs, commonly known as the net billing tariff. This bill would include the regenerative braking from electric trains as a renewable electrical generation facility for those purposes, as provided.

AB 1379 (**Nguyen, D**) **Vehicles: speed safety system pilot program.**

Introduced: 02/21/2025

Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on TRANS.

Location: 03/24/2025 - Assembly Transportation

Summary: Current law authorizes, until January 1, 2032, the Cities of Los Angeles, San Jose, Oakland, Glendale, and Long Beach, and the City and County of San Francisco to establish a speed safety system pilot program if the system meets specified requirements. Current law requires a participating city or city and county to adopt a Speed Safety System Use Policy and a Speed Safety System Impact Report before implementing the program, and requires the participating city or city and county to engage in a public information campaign at least 30 days before implementation of the program, including information relating to when the systems would begin detecting violations and where the systems would be utilized. This bill would expand the list of cities authorized to establish a speed safety system pilot program as described above to include the City of Sacramento.

AB 1383 (**McKinnor, D**) **Public employees' retirement benefits.**

Introduced: 02/21/2025

Last Amended: 04/11/2025

Status: 04/23/2025 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 23). Re-referred to Com. on APPR.

Location: 04/23/2025 - Assembly Appropriations

Summary: Current law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of the Public Employees' Retirement System (PERS), including depositing employer and employee contributions. Under the California Constitution, assets of a public pension or retirement system are trust funds. The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of the contribution and benefit base under a specified federal law with respect to old age, survivors, and disability insurance benefits. This bill, on and after January 1, 2026, would require a retirement system to adjust pensionable compensation limits to be consistent with a defined benefit limitation established and annually adjusted under federal law with respect to tax exempt qualified trusts.

AB 1399 (**Hoover, R**) **Department of Transportation: encroachment permits: broadband facilities.**

Introduced: 02/21/2025

Last Amended: 04/09/2025

Status: 04/23/2025 - In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 03/24/2025 - Assembly Transportation

Summary: Current law authorizes the Department of Transportation to issue a written permit to place an encroachment on the state highway. Current law requires the department to perform certain actions if the encroachment permit application is for a broadband facility. This bill would require the department to perform additional actions for an encroachment permit application for a broadband facility, including, but not limited to, requiring the application and review process for the application to be uniform throughout the state, and would require a broadband facility encroachment permit application that is deemed complete to be deemed approved.

AB 1421 (**Wilson, D**) **Vehicles: Road Usage Charge Technical Advisory Committee.**

Introduced: 02/21/2025

Status: 03/13/2025 - Referred to Com. on TRANS.

Location: 03/13/2025 - Assembly Transportation

Summary: Current law requires the Chair of the California Transportation Commission to create a Road Usage Charge Technical Advisory Committee in consultation with the Secretary of Transportation to guide the development and evaluation of a pilot program assessing the potential for mileage-based revenue collection as an alternative to the gas tax system. Current law additionally requires the Transportation Agency, in consultation with the commission, to implement the pilot program, as specified. Current law repeals these provisions on January 1, 2027. This bill would extend the operation of the above-described provisions until January 1, 2035.

AB 1423 (**Irwin, D**) **Transportation electrification: charging station uptime: regulations: violations.**

Introduced: 02/21/2025

Last Amended: 04/10/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on U. & E. (Ayes 14. Noes 1.) (April 21). Re-referred to Com. on U. & E.

Calendar: 04/30/25 A-UTILITIES AND ENERGY Upon adjournment of Communications and Conveyance Committee - State Capitol, Room 437 PETRIE-NORRIS, COTTIE, Chair

Location: 04/22/2025 - Assembly Utilities and Energy

Summary: Current law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in consultation with the Public Utilities Commission (PUC), to develop uptime recordkeeping and reporting standards for electric vehicle chargers and charging stations. Current law requires that the uptime recordkeeping and reporting standards only apply to electric vehicle chargers and charging stations that received an incentive from a state agency or through a charge on ratepayers, apply for a minimum of 6 years, and apply to electric vehicle chargers and charging stations installed on or after January 1, 2024. This bill would delete the latter requirement. The bill would instead require the above uptime recordkeeping and reporting standards, for electric vehicle chargers and charging stations installed on or after January 1, 2024, to also apply to electric vehicle chargers and charging stations that were installed with moneys from specified consent decrees among the State Air Resources Board, Volkswagen AG, and the United States Department of Justice, as specified.

ACA 7 (**Jackson, D**) **Government preferences.**

Introduced: 02/13/2025

Status: 04/23/2025 - From committee: Be adopted, and re-refer to Com. on JUD. Re-referred. (Ayes 6. Noes 3.) (April 22). Re-referred to Com. on JUD.

Calendar: 05/06/25 A-JUDICIARY 9 a.m. - State Capitol, Room 437 KALRA, ASH, Chair

Location: 04/23/2025 - Assembly Judiciary

Summary: The California Constitution, pursuant to provisions enacted by the Proposition 209, an initiative measure adopted by the voters at the November 5, 1996, statewide general election, prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting, as specified. This measure would, instead, limit the above prohibition to the operation of public employment, higher education enrollment, and public contracting.

ACA 12 (**Wallis, R**) **Road usage charges: vote and voter approval requirements.**

Introduced: 03/26/2025

Status: 03/27/2025 - From printer. May be heard in committee April 26.

Location: 03/26/2025 - Assembly PRINT

Summary: The California Constitution requires any change in state statute that increases the tax liability of any taxpayer to be imposed by an act passed by 2/3 of the membership of each house of the Legislature and prohibits specified taxes on real property from being so imposed. For these purposes, the California Constitution defines a "tax" as any state levy, charge, or exaction, except as described in certain exceptions. The California Constitution describes one of those exceptions as a charge imposed for entrance to or use of state property, or the purchase, rental, or lease of state property, except charges governed by a specified provision of the California Constitution. This measure, on or after its effective date, would provide that the exception described above does not include a road usage charge, as described, thereby requiring the imposition of this type of charge to be subject to the 2/3 vote requirement.

ACA 13 (**DeMaio, R**) **Public finance: Balanced Budget Accountability Act of 2025.**

Introduced: 04/22/2025

Status: 04/23/2025 - From printer. May be heard in committee May 23.

Location: 04/22/2025 - Assembly PRINT

Summary: The California Constitution generally requires appropriations from the General Fund to be enacted in a bill passed by a 2/3 vote in each house of the Legislature. Notwithstanding that requirement, the California Constitution authorizes the budget bill, other bills providing for appropriations related to the budget bill, and bills that make General Fund appropriations for the public schools, to be passed by a majority vote. This measure would repeal the exceptions to the requirement that a bill making General Fund appropriations must be passed by a 2/3 vote, thereby requiring any bill that makes General Fund appropriations to be passed by a 2/3 vote.

SB 2 (**Jones, R**) **Low-carbon fuel standard: regulations.**

Introduced: 12/02/2024

Last Amended: 03/12/2025

Status: 03/19/2025 - March 19 set for first hearing. Failed passage in committee. (Ayes 3. Noes 2.) Reconsideration granted.

Location: 01/29/2025 - Senate Environmental Quality

Summary: The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations. This bill would void specified amendments to the Low-Carbon Fuel Standard regulations adopted by the state board on November 8, 2024, or as subsequently adopted, as specified. This bill would declare that it is to take effect immediately as an urgency statute.

SB 7 (McNerney, D) **Employment: automated decision systems.**

Introduced: 12/02/2024 (Spot bill)

Last Amended: 03/06/2025

Status: 04/10/2025 - Set for hearing April 29.

Calendar: 04/29/25 S-JUDICIARY 9:30 a.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 04/09/2025 - Senate Judiciary

Summary: Current law requires the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems (ADS) that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. Current law establishes the Labor and Workforce Development Agency, which is composed of various departments responsible for protecting and promoting the rights and interests of workers in California, including the Division of Labor Standards Enforcement, led by the Labor Commissioner, within the Department of Industrial Relations. This bill would require an employer, or a vendor engaged by the employer, to provide a written notice that an ADS, for the purpose of making employment-related decisions, is in use at the workplace to all workers that will be directly or indirectly affected by the ADS, as specified. The bill would require the employer or vendor to maintain a list of all ADS currently in use and would require the notice to include the updated list. The bill would prohibit an employer or vendor from using an ADS that does certain functions and would limit the purposes and manner in which an ADS may be used to make decisions. The bill would require an employer to allow a worker to access data collected or used by an ADS and to correct errors in data, as specified.

SB 10 (Padilla, D) **Otay Mesa East Toll Facility Act: toll revenues.**

Introduced: 12/02/2024

Last Amended: 03/13/2025

Status: 04/21/2025 - April 21 hearing: Placed on APPR. suspense file.

Location: 04/21/2025 - Senate APPR. SUSPENSE FILE

Summary: The Otay Mesa East Toll Facility Act authorizes the San Diego Association of Governments (SANDAG) to carry out a construction project for the State Highway Route 11 corridor, including, among other things, highway improvements and international border crossing facilities, to be operated as a toll facility. Current law authorizes SANDAG to fix and revise from time to time and charge and collect tolls and other charges for entrance to or the use of the corridor, as provided. Current law authorizes toll revenues to be used for specified costs, including, among other things, payments of a cooperative tolling agreement with the federal government of Mexico. This bill would, consistent with applicable federal and state laws, authorize those toll revenues to additionally be used to assist in the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility and the development of additional sanitation infrastructure projects related to the Tijuana River pursuant to an agreement with the federal government.

SB 30 (Cortese, D) **Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions.**

Introduced: 12/02/2024 (Spot bill)

Last Amended: 03/26/2025

Status: 04/11/2025 - Set for hearing April 30.

Calendar: 04/30/25 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 113 BLAKESPEAR, CATHERINE, Chair

Location: 04/09/2025 - Senate Environmental Quality

Summary: Would prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment for continued use after the public entity decommissions the equipment.

SB 34 (**Richardson, D**) **Air pollution: South Coast Air Quality Management District: mobile sources: public seaports.**

Introduced: 12/02/2024

Last Amended: 04/21/2025

Status: 04/23/2025 - From committee: Do pass and re-refer to Com. on TRANS. (Ayes 8. Noes 0.) (April 23). Re-referred to Com. on TRANS.

Calendar: 04/28/25 S-TRANSPORTATION 3 p.m. or upon adjournment of Session - 1021 O Street, Room 1200 CORTESE, DAVE, Chair

Location: 04/23/2025 - Senate Transportation

Summary: Current law authorizes air districts to adopt and implement regulations to reduce or mitigate emissions from indirect sources of air pollution. Current law provides for the creation of the South Coast Air Quality Management District in those portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino included within the area of the South Coast Air Basin, as specified. Current law requires the district to adopt rules and regulations to carry out the south coast district air quality management plan that are not in conflict with state and federal laws and rules and regulations and requires those rules and regulations to provide for indirect source controls under certain circumstances. Pursuant to its authority, the district has proposed Rule 2304, which would require the Ports of Long Beach and Los Angeles to each develop a comprehensive plan for charging and fueling infrastructure for equipment, vehicles, and vessels used in port operations and whose source of propulsion energy or other use of energy, or both, is not, or is not primarily, derived from combustion of conventional fuels. This bill would, in the event the board of the district takes an action, as defined, require the action to, among other things, require those ports to prepare assessments of energy demand and supply, cost estimates, and funding source, workforce, and environmental impacts and create a process by which those ports can request extensions to the timelines developed to achieve the action's targets. The bill would also prohibit the action from, among other things, imposing a cap on cargo throughput or limiting operations at the ports. The bill would repeal its provisions on January 1, 2036.

SB 63 (**Wiener, D**) **San Francisco Bay area: local revenue measure: transportation funding.**

Introduced: 01/09/2025 (Spot bill)

Last Amended: 03/25/2025

Status: 04/23/2025 - From committee: Do pass and re-refer to Com. on REV. & TAX. (Ayes 11. Noes 3.) (April 22). Re-referred to Com. on REV. & TAX.

Location: 04/22/2025 - Senate Revenue and Taxation

Summary: Would establish the Transportation Revenue Measure District with jurisdiction extending throughout the boundaries of the Counties of Alameda and Contra Costa and the City and County of San Francisco and would require the district to be governed by the same board that governs the Metropolitan Transportation Commission, thereby imposing a state-mandated local program. The bill would authorize a retail transactions and use tax applicable to the entire district to be imposed by the board of the district or by a qualified voter initiative for a duration of 10 to 15 years, inclusive, and generally in an amount of 0.5%, subject to voter approval at the November 3, 2026, statewide general election. After allocations are made for various administrative expenses, the bill would require an unspecified portion of the proceeds of the tax to be allocated by the commission to initiatives included in a specified commission plan and to the Alameda-Contra Costa Transit District, the Peninsula Rail Transit District, commonly known as Caltrain, the San Francisco Bay Area Rapid Transit District, and the San Francisco Municipal Transportation Agency for operating expenses, and would require the remaining proceeds to be subvened directly to the counties comprising the district for public transportation expenses, as prescribed.

SB 71 (**Wiener, D**) **California Environmental Quality Act: exemptions: transit projects.**

Introduced: 01/14/2025

Last Amended: 03/25/2025

Status: 04/17/2025 - Set for hearing April 28.

Calendar: 04/28/25 S-APPROPRIATIONS 10:30 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/09/2025 - Senate Appropriations

Summary: The California Environmental Quality Act (CEQA) until January 1, 2030, exempts from its requirements active transportation plans, pedestrian plans, or bicycle transportation plans for the restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and the related signage for bicycles, pedestrians, and vehicles. This bill would extend the operation of the above-mentioned exemption indefinitely. The bill would also exempt a transit comprehensive operational analysis, as defined, a transit route readjustment, or other transit agency route addition, elimination, or modification, from the requirements of CEQA. Because a lead agency would be required to determine whether a plan qualifies for this exemption, the bill would impose a state-mandated local program.

SB 73 (**Cervantes, D**) **California Environmental Quality Act: exemptions.**

Introduced: 01/15/2025

Status: 03/13/2025 - March 19 set for second hearing canceled at the request of author.

Location: 01/29/2025 - Senate Environmental Quality

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts from its requirements certain residential, employment center, and mixed-use development projects meeting specified criteria, including that the project is located in a transit priority area and that the project is undertaken and is consistent with a specific plan for which an environmental impact report has been certified. This bill would additionally exempt those projects located in a very low vehicle travel area, as defined. The bill would require that the project is undertaken and is consistent with either a specific plan prepared pursuant to specific provisions of law or a community plan, as defined, for which an EIR has been certified within the preceding 15 years in order to be exempt.

SB 74 (**Seyarto, R**) **Office of Land Use and Climate Innovation: Infrastructure Gap-Fund Program.**

Introduced: 01/15/2025

Last Amended: 04/07/2025

Status: 04/21/2025 - April 21 hearing: Placed on APPR. suspense file.

Location: 04/21/2025 - Senate APPR. SUSPENSE FILE

Summary: Current law establishes the Office of Land Use and Climate Innovation in the Governor's office for the purpose of serving the Governor and the Governor's cabinet as staff for long-range planning and research and constituting the comprehensive state planning agency. Current law authorizes a local agency to finance infrastructure projects through various means, including by authorizing a city or county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. This bill would require the office, upon appropriation by the Legislature, to establish the Infrastructure Gap-Fund Program to provide grants to local agencies for the development and construction of infrastructure projects, as defined, facing unforeseen costs after starting construction. The bill would authorize the office to provide funding for up to 20% of a project's additional projected cost, as defined, after the project has started construction, subject to specified conditions, including, among other things, that the local agency has allocated existing local tax revenue for at least 45% of the initially budgeted total cost of the infrastructure project. When applying to the program, the bill would require the local agency to demonstrate challenges with completing the project on time and on budget and how the infrastructure project helps meet state and local goals, as specified.

SB 78 (**Seyarto, R**) **Department of Transportation: report: state highway system: safety enhancements.**

Introduced: 01/15/2025

Last Amended: 04/02/2025

Status: 04/21/2025 - April 21 hearing: Placed on APPR. suspense file.

Location: 04/21/2025 - Senate APPR. SUSPENSE FILE

Summary: Would require the Department of Transportation to prepare a report to identify the types of safety enhancements that could be implemented on the state highway system, the common factors, if any, contributing to the delay in delivering those safety enhancements, and strategies to expedite safety enhancements on the state highway system. The bill would require the department to submit the report to the Legislature on or before January 1, 2027.

SB 94 (**Strickland, R**) **Transportation funding: Greenhouse Gas Reduction Fund: Motor Vehicle Fuel Account.**

Introduced: 01/23/2025

Last Amended: 03/26/2025

Status: 04/23/2025 - April 23 set for first hearing. Failed passage in committee. (Ayes 1. Noes 4.) Reconsideration granted.

Location: 04/03/2025 - Senate Environmental Quality

Summary: The California Global Warming Solutions Act of 2006 authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Current law continuously appropriates 25% of the annual proceeds of the fund to the High-Speed Rail Authority for certain purposes, as specified. This bill would eliminate the continuous appropriation of 25% of the annual proceeds of the Greenhouse Gas Reduction Fund to the High-Speed Rail Authority on June 30, 2026. The bill, beginning with the 2026–27 fiscal year, and until December 31, 2030, would require 25% of the annual proceeds of the Greenhouse Gas Reduction Fund to be transferred to the Motor Vehicle Fuel Account.

SB 222 (**Wiener, D**) **Climate disasters: civil actions.**

Introduced: 01/27/2025

Last Amended: 03/28/2025

Status: 04/08/2025 - April 8 set for first hearing. Failed passage in committee. (Ayes 5. Noes 2.) Reconsideration granted.

Location: 02/05/2025 - Senate Judiciary

Summary: Current law gives a person the right of protection from bodily harm and the right to possess and use property. If a person suffers bodily harm or a loss of their property because of the unlawful act or omission of another, existing law authorizes them to recover compensation from the person at fault, which is known as damages. This bill would authorize a person who suffered physical harm to their person or property totaling at least $10,000 to bring a civil action against a party responsible for a climate disaster to recover damages, restitution, specified costs, and other appropriate relief. The bill would make responsible parties jointly, severally, and strictly liable to a plaintiff for damages and restitution.

SB 231 (**Seyarto, R**) **California Environmental Quality Act: the Office of Land Use and Climate Innovation: technical advisory.**

Introduced: 01/28/2025

Last Amended: 03/20/2025

Status: 04/07/2025 - April 7 hearing: Placed on APPR. suspense file.

Location: 04/07/2025 - Senate APPR. SUSPENSE FILE

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Under current law, the recommendation, continuous evaluation, and execution of statewide environmental goals, policies, and plans are included within the scope of the executive functions of the Governor. Current law establishes the Office of Land Use and Climate Innovation in the Governor's office for the purpose of serving the Governor and the Governor's cabinet as staff for long-range planning and research and constituting the comprehensive state planning agency. This bill would require, on or before July 1, 2027, the Office of Land Use and Climate Innovation to consult with regional, local, state, and federal agencies to develop a technical advisory on thresholds of significance for greenhouse gas and noise pollution effects on the environment to assist local agencies. The bill would require the technical advisory to provide suggested thresholds of significance for all areas of the state, as specified, and would provide that lead agencies may elect to adopt these suggested thresholds of significance. The bill would also require the Office of Land Use and Climate Innovation to post the technical advisory on its internet website.

SB 232 (**Seyarto, R**) **California Environmental Quality Act: guidelines: study.**

Introduced: 01/28/2025

Last Amended: 03/20/2025

Status: 04/07/2025 - April 7 hearing: Placed on APPR. suspense file.

Location: 04/07/2025 - Senate APPR. SUSPENSE FILE

Summary: The California Environmental Quality Act (CEQA) requires the Office of Land Use and Climate Innovation, formerly named the Office of Planning and Research, to prepare and develop, and the Secretary of the Natural Resources Agency to certify and adopt, guidelines for the implementation of CEQA. The CEQA guidelines require a lead agency, immediately after deciding that an environmental impact report is required for a project, to send a notice of preparation stating that an environmental impact report will be prepared to the office and each responsible and trustee agency, as specified. This bill would require the office to conduct a study to, among other things, evaluate how locked-in guidelines could impact regulatory certainty for future project proponents, lead agencies, and stakeholders and assess how locked-in guidelines could affect the speed and efficiency of the environmental review process pursuant to CEQA. The bill would define "locked-in guidelines" as CEQA guidelines, that are in effect at the time of the first issuance of the notice of preparation for a project, that apply to the project throughout the course of the environmental review process pursuant to CEQA, regardless of changes in the guidelines that occur after the first issuance of the notice of preparation. The bill would require, on or before January 1, 2027, the office to submit a report to the Governor and the Legislature on the study. The bill would repeal these provisions on January 1, 2028.

SB 239 (**Arreguín, D**) **Open meetings: teleconferencing: subsidiary body.**

Introduced: 01/30/2025

Last Amended: 04/07/2025

Status: 04/08/2025 - Set for hearing May 6.

Calendar: 05/06/25 S-JUDICIARY 1:30 p.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 04/03/2025 - Senate Judiciary

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified. Current law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions, as specified This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified.

SB 240 (**Jones, R**) **San Diego Association of Governments: board of directors: County of San Diego.**

Introduced: 01/30/2025

Last Amended: 03/24/2025

Status: 04/23/2025 - April 23 set for first hearing canceled at the request of author.

Location: 04/02/2025 - Senate Local Government

Summary: The San Diego Regional Transportation Consolidation Act establishes a 21-member board of directors to govern the San Diego Association of Governments (SANDAG). The act requires 2 supervisors from the San Diego County Board of Supervisors to serve on the SANDAG board of directors. The act refers to these directors as primary and secondary representatives. The act requires one of these directors to be from a district that is substantially an incorporated area and the other to be from a district that is substantially an unincorporated area. This bill would replace the secondary representative from the San Diego County Board of Supervisors on the SANDAG board of directors with a resident of an unincorporated area of the County of San Diego that is selected by, and subject to recall by, a majority of the community planning groups in the County of San Diego. The bill would provide for an alternative to serve on the SANDAG board of directors if the secondary representative is not available. The bill would eliminate the requirement that one of the San Diego County Board of Supervisors on the SANDAG board of directors be from a district that is substantially an incorporated area and the other to be from a district that is substantially an unincorporated area.

SB 262 (**Wahab, D**) **Housing element: prohousing designations: prohousing local policies.**

Introduced: 02/03/2025

Last Amended: 03/19/2025

Status: 04/08/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #34 S-SENATE BILLS -THIRD READING FILE

Location: 04/08/2025 - Senate THIRD READING

Summary: The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. The Department of Housing and Community Development is required to determine whether the housing element is in substantial compliance with those provisions. Current law requires the department to designate jurisdictions as prohousing pursuant to emergency regulations adopted by the department, as prescribed. Current law requires that jurisdictions that are prohousing and that are in substantial compliance with specified provisions be awarded additional points or preference in the scoring of applications for specified state programs. Current law defines "prohousing local policies" for these purposes and specifies a nonexhaustive list of examples of those policies, including local financial incentives for housing and adoption of zoning allowing for use by right for residential and mixed-use development. This bill would include in the definition of "prohousing local policies" policies that keep people housed, and would specify additional examples of prohousing local policies under the above-described provisions.

SB 272 (**Becker, D**) **San Mateo County Transit District: job order contracting: pilot program.**

Introduced: 02/04/2025

Last Amended: 03/18/2025

Status: 04/01/2025 - Read third time. Passed. (Ayes 39. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 04/01/2025 - Assembly DESK

Summary: Would establish a pilot program to authorize the San Mateo County Transit District to use job order contracting as a procurement method. The bill would impose a $5,000,000 cap on awards under a single job order contract and a $1,000,000 cap on any single job order. The bill would limit the term of an initial contract to a maximum of 12 months, with extensions as prescribed. The bill would establish various procedures and requirements for the use of job order contracting under the pilot program. The bill would require the district, on or before January 1, 2030, to submit to the appropriate policy and fiscal committees of the Legislature a report on the use of job order contracting under the bill. The pilot program would be repealed on January 1, 2032. This bill would make legislative findings and declarations as to the necessity of a special statute for the San Mateo County Transit District.

SB 280 (**Cervantes, D**) **Political Reform Act of 1974: prohibition on contributions in state and local government office buildings.**

Introduced: 02/05/2025

Last Amended: 04/10/2025

Status: 04/22/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #51 S-SENATE BILLS -THIRD READING FILE

Location: 04/22/2025 - Senate THIRD READING

Summary: The Political Reform Act of 1974 comprehensively regulates political campaigns, including campaign contributions. The act prohibits the receipt, delivery, or attempted delivery of a contribution in the State Capitol, any state office building, or any office for which the state pays the majority of the rent other than a legislative district office. This bill would expand that prohibition to apply to local government office buildings and offices for which the state or a local government pays rent. The bill would also eliminate the exception for legislative district offices.

SB 314 (**Padilla, D**) **Weights and measures: electric vehicle supply equipment.**

Introduced: 02/10/2025

Last Amended: 03/17/2025

Status: 04/04/2025 - Set for hearing April 28.

Calendar: 04/28/25 S-BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT 10 a.m. and upon adjournment of Session, if necessary - 1021 O Street, Room 2100 ASHBY, ANGELIQUE, Chair

Location: 02/19/2025 - Senate Business, Professions and Economic Development

Summary: Current law provides that the Department of Food and Agriculture has general supervision of the weights and measures and weighing and measuring devices sold or used in the state, including devices used to measure electricity sold as a motor vehicle fuel. Current law regulates the use and repair of weighing or measuring devices. Existing law authorizes a device to be placed in service only by a sealer or a service agency. Current law prohibits, until January 1, 2028, requiring electric vehicle supply equipment (EVSE) to be retested or placed in service by a service agency or sealer, if the EVSE has previously been placed in service by a service agency or sealer, before the EVSE is used after receiving maintenance, as specified. This bill would authorize an EVSE that has been audited or tested by the manufacturer or supplier to be used commercially without further testing during the remainder of the inspection period adopted by the Secretary of Food and Agriculture, but not until it has been sealed by a sealer. The bill would, among other things, require the county sealer to ensure that certain EVSE installed before January 1, 2026, are initially placed in service and tested by a sealer on or before January 1, 2027, at no additional cost other than the registration fees paid by the EVSE owner or operator. The bill would, until January 1, 2028, if an EVSE has previously been placed in service, no longer require the EVSE to be retested or placed in service by a service agency or sealer before the EVSE is used after receiving maintenance in a manner that does not affect the EVSE being correct.

SB 358 (**Becker, D**) **Mitigation Fee Act: mitigating vehicular traffic impacts.**

Introduced: 02/12/2025

Status: 04/11/2025 - Set for hearing April 30.

Calendar: 04/30/25 S-LOCAL GOVERNMENT 9:30 a.m. - State Capitol, Room 112 DURAZO, MARÍA ELENA, Chair

Location: 02/19/2025 - Senate Local Government

Summary: The Mitigation Fee Act imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project. Current law requires a local agency that imposes a fee on a housing development for the purpose of mitigating vehicular traffic impacts to set the rate for that fee to reflect a lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without prescribed characteristics, unless the local agency adopts findings after a public hearing establishing that the housing development, even with those characteristics, would not generate fewer automobile trips than a housing development without those specified characteristics. For purposes of these provisions, current law specifies one of those characteristics is that the housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero- to 2-bedroom units, and 2 onsite parking spaces for 3 or more bedroom units, whichever is less. For purposes of a local agency setting the rate for a mitigating vehicular traffic impacts fee, this bill would delete the provision about adopting findings after a public hearing and would, instead, require the rate for housing developments that satisfy those specified characteristics be at least 50% less than the rate for housing developments without all of those characteristics. With regard to the above-described characteristic, the bill would, instead, specify that the housing development provides no more than one onsite parking space for zero- to 2-bedroom units, and 2 onsite parking spaces for 3 or more bedroom units.

SB 359 (**Niello, R**) **Use Fuel Tax Law: Diesel Fuel Tax Law: exempt bus operation.**

Introduced: 02/13/2025

Last Amended: 04/08/2025

Status: 04/08/2025 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on REV. & TAX.

Calendar: 05/14/25 S-REVENUE AND TAXATION 9:30 a.m. - 1021 O Street, Room 1200 MCNERNEY, JERRY, Chair

Location: 02/26/2025 - Senate Revenue and Taxation

Summary: The Use Fuel Tax Law imposes a state excise tax at specified rates, generally $0.18 per gallon, on the use of fuel, as defined, and establishes various exemptions from those taxes, including an exemption for any transit district, transit authority, or city owning and operating a local transit system, as provided. This bill would additionally apply this exemption to a county that owns and operates a local transit system, as provided. This bill would additionally apply this exemption to a county that owns and operates a local transit system, as provided.

SB 364 (**Strickland, R**) **Outdoor advertising displays: permits: new alignments.**

Introduced: 02/13/2025

Last Amended: 03/26/2025

Status: 04/17/2025 - Set for hearing April 28.

Calendar: 04/28/25 S-TRANSPORTATION 3 p.m. or upon adjournment of Session - 1021 O Street, Room 1200 CORTESE, DAVE, Chair

Location: 04/02/2025 - Senate Transportation

Summary: The Outdoor Advertising Act prohibits a person, as defined, from placing an advertising display within the areas affected by the act without a permit. The act authorizes the Director of Transportation to adopt regulations for the enforcement of the act. Pursuant to that authority, current regulations only require the Department of Transportation to process an application for placing a new advertising display along a new alignment of an interstate or primary highway if the application is accepted on or after the date that the department accepts the highway project for the new alignment as complete. This bill would prohibit the department from denying or delaying the approval of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted as complete if the portion of highway is open to the use of the public for vehicular travel.

SB 375 (**Grove, R**) **Wildfire prevention activities: Endangered Species Act: California Environmental Quality Act: California Coastal Act of 1973.**

Introduced: 02/13/2025

Status: 04/03/2025 - April 8 set for second hearing canceled at the request of author.

Location: 02/26/2025 - Senate Natural Resources and Water

Summary: Would authorize a city, county, city and county, special district, or other local agency to submit to the Department of Fish and Wildlife a wildfire preparedness plan to conduct wildfire preparedness activities on land designated as a fire hazard severity zone, as defined, that minimizes impacts to wildlife and habitat for candidate, threatened, and endangered species. The bill would require the wildfire preparedness plan to include, among other things, a brief description of the planned wildfire preparedness activities, the approximate dates for the activities, and a description of the candidate, endangered, and threatened species within the plan area. The bill would require the department, if sufficient information is included in the wildfire preparedness plan for the department to determine if an incidental take permit is required, to notify the local agency within 90 days of receipt of the wildfire preparedness plan if an incidental take permit or other permit is needed, or if there are other considerations, exemptions, or streamlined pathways that the wildfire preparedness activities qualify for, including, but not limited to, the State Board of Forestry and Fire Protection’s California Vegetation Treatment Program. The bill would require the department to provide the local agency, in its notification, with guidance that includes, among other things, a description of the candidate, endangered, and threatened species within the plan area and measures to avoid, minimize, and fully mitigate the take of the candidate, threatened, and endangered species, as provided. The bill would require the department, on or before July 1, 2026, to make a standard wildfire preparedness plan submission form publicly available on its internet website. The bill also would require the department, commencing January 1, 2027, to annually post on its internet website a summary of the wildfire preparedness plans submitted and include specified information in that summary.

SB 400 (**Cortese, D**) **Road Maintenance and Rehabilitation Account: University of California: California State University: reports.**

Introduced: 02/14/2025

Last Amended: 04/07/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/22/2025 - Senate Appropriations

Summary: Current law provides for the deposit of various moneys, including revenues from certain fuel taxes and vehicle fees, for the Road Maintenance and Rehabilitation Program into the Road Maintenance and Rehabilitation Account. Current law, after deducting certain appropriations and allocations, authorizes annual appropriations of $5,000,000 of the moneys available for the program to the University of California to conduct transportation research and of $2,000,000 of the available moneys to the California State University to conduct transportation research and transportation-related workforce education, training, and development, as specified. This bill would require the University of California Institute of Transportation Studies and the California State University Transportation Consortium, on or before January 1 of each year, to each submit a report to the Transportation Agency and specified legislative committees detailing the expenditures of those moneys for the previous fiscal year, including, but not limited to, research activities and administration.

SB 419 (**Caballero, D**) **Hydrogen fuel.**

Introduced: 02/18/2025

Status: 03/18/2025 - Set for hearing May 14.

Calendar: 05/14/25 S-REVENUE AND TAXATION 9:30 a.m. - 1021 O Street, Room 1200 MCNERNEY, JERRY, Chair

Location: 02/26/2025 - Senate Revenue and Taxation

Summary: Would, on and after January 1, 2026, provide an exemption from the taxes imposed by the Sales and Use Tax Law for the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, hydrogen fuel.

SB 431 (**Arreguín, D**) **Assault and battery: public utility employees and essential infrastructure workers.**

Introduced: 02/18/2025

Last Amended: 03/24/2025

Status: 04/21/2025 - April 21 hearing: Placed on APPR. suspense file.

Location: 04/21/2025 - Senate APPR. SUSPENSE FILE

Summary: Existing law defines an assault as an unlawful attempt, coupled with present ability, to commit a violent injury upon the person of another. Existing law defines a battery as any willful and unlawful use of force or violence upon the person of another. Under existing law, an assault or battery committed against specified professionals engaged in the performance of their duties, including peace officers, firefighters, and emergency medical personnel, is punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding $2,000, or by both that fine and imprisonment. This bill would make an assault or battery committed against an employee of a public utility or a worker engaged in essential infrastructure work, as defined, punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding $2,000, or by both that fine and imprisonment. By expanding the scope of these crimes, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

SB 441 (**Hurtado, D**) **State Air Resources Board: membership: removal: regulations: review.**

Introduced: 02/18/2025

Status: 04/23/2025 - April 23 set for first hearing. Failed passage in committee. (Ayes 3. Noes 0.) Reconsideration granted.

Location: 02/26/2025 - Senate Environmental Quality

Summary: Current law provides that the State Air Resources Board consists of 14 voting members, 12 of whom are appointed by the Governor, with the consent of the Senate, one of whom is appointed by the Senate Committee on Rules, and one of whom is appointed by the Speaker of the Assembly. Current law specifies that voting members serve a term of 6 years. This bill would authorize any member of the state board to be removed from office by the Legislature, by concurrent resolution adopted by a majority vote of all members elected to each house, for dereliction of duty or corruption or incompetency.

SB 443 (Rubio, D) **Retirement: joint powers authorities.**

Introduced: 02/18/2025

Last Amended: 03/27/2025

Status: 04/08/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #35 S-SENATE BILLS -THIRD READING FILE

Location: 04/08/2025 - Senate THIRD READING

Summary: The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013. The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which may include hiring employees and establishing retirement systems. Current law authorizes a joint powers authority to offer defined benefit plans or formulas that are not PEPRA plans or formulas, provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRA, and they are employed by the authority within 180 days, as specified. This bill would also authorize a joint powers authority to offer those defined benefit plans or formulas to a member agency that is a non-founding member of the joint powers authority, for employees who are not new members under PEPRA and are employed by the joint powers authority within 180 days of the agency becoming a member agency.

SB 445 (Wiener, D) **Transportation: planning: complete streets facilities: sustainable transportation projects.**

Introduced: 02/18/2025

Last Amended: 04/10/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/23/2025 - Senate Appropriations

Summary: This bill would instead require the Department of Transportation to develop and adopt the above-described project intake, evaluation, and encroachment review process on or before February 1, 2027. The bill would also state the intent of the Legislature to amend this bill with legislation that accelerates and makes more reliable third-party permits and approvals for preconstruction and construction activities on sustainable transportation projects.

SB 455 (Blakespear, D) **Electric bicycles.**

Introduced: 02/19/2025 (Spot bill)

Last Amended: 04/21/2025

Status: 04/21/2025 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on TRANS.

Calendar: 04/28/25 S-TRANSPORTATION 3 p.m. or upon adjournment of Session - 1021 O Street, Room 1200 CORTESE, DAVE, Chair

Location: 04/02/2025 - Senate Transportation

Summary: Current law governs the operation of motor vehicles and other devices, including, among other things, motor-driven cycles and motorized bicycles or mopeds. This bill would revise the definitions of the above-described devices and refer to motorized bicycles as mopeds or low-power mopeds, as specified. The bill would, commencing July 1, 2026, require manufacturers and distributors of low-power mopeds to apply an etching, an engraving, or a label that is permanently affixed to each low-power moped that contains, among other things, a statement that the device is a low-power moped and not an electric bicycle. The bill would set forth provisions governing the operation of low-power mopeds, including, among other things, licensing and helmet requirements. The bill would exempt low-power mopeds from being classified as motor vehicles, thereby exempting these devices from specified financial responsibility, registration, and license plate requirements. The bill would authorize a local authority to regulate the parking and operation of low-power mopeds on local streets and highways, as specified.

SB 464 (**Smallwood-Cuevas, D**) **Employer pay data.**

Introduced: 02/19/2025

Last Amended: 04/10/2025

Status: 04/23/2025 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 4. Noes 1.) (April 23). Re-referred to Com. on JUD.

Calendar: 04/29/25 S-JUDICIARY 9:30 a.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 04/23/2025 - Senate Judiciary

Summary: Existing law establishes the Civil Rights Department within the Business, Consumer Services, and Housing Agency to enforce civil rights laws with respect to housing and employment and to protect and safeguard the right of all persons to obtain and hold employment without discrimination based on specified characteristics or status. This bill would require an employer to collect and store any demographic information gathered by an employer or labor contractor for the purpose of submitting the pay data report separately from employees' personnel records.

SB 467 (**Laird, D**) **Highways: Highway Signage Fund.**

Introduced: 02/19/2025

Last Amended: 03/27/2025

Status: 04/07/2025 - April 7 hearing: Placed on APPR. suspense file.

Location: 04/07/2025 - Senate APPR. SUSPENSE FILE

Summary: Would establish the Highway Signage Fund in the State Treasury and would make moneys in the fund available, upon appropriation by the Legislature, to the department for the department's costs in erecting signage for highway designations previously approved by the Legislature that memorialize individuals who have promoted racial and gender equity.

SB 469 (**Smallwood-Cuevas, D**) **Department of Industrial Relations: task force: public infrastructure: employment: underrepresented communities.**

Introduced: 02/19/2025

Status: 04/11/2025 - Set for hearing April 30.

Calendar: 04/30/25 S-LABOR, PUBLIC EMPLOYMENT AND RETIREMENT 9 a.m. - 1021 O Street, Room 2200 SMALLWOOD-CUEVAS, LOLA, Chair

Location: 02/26/2025 - Senate L., P.E. & R.

Summary: Would require the Department of Industrial Relations to establish the California Public Infrastructure Task Force, composed of representatives of specified agencies to promote employment in public infrastructure projects for underrepresented communities and to provide compliance assistance to contractors and subcontractors in public infrastructure projects regarding their nondiscrimination obligations, as specified.

SB 470 (**Laird, D**) **Bagley-Keene Open Meeting Act: teleconferencing.**

Introduced: 02/19/2025

Last Amended: 04/10/2025

Status: 04/17/2025 - Set for hearing April 28.

Location: 04/09/2025 - Senate Appropriations

Summary: Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act authorizes meetings through teleconference subject to specified requirements, including, among others, that the state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, that each teleconference location be accessible to the public, that the agenda provide an opportunity for members of the public to address the state body directly at each teleconference location, and that at least one member of the state body be physically present at the location specified in the notice of the meeting. This bill would instead repeal these provisions on January 1, 2030.

SB 474 (**Niello, R**) **State Air Resources Board: regulatory authority: revocation.**

Introduced: 02/19/2025

Status: 04/02/2025 - Set for hearing April 30.

Calendar: 04/30/25 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 113 BLAKESPEAR, CATHERINE, Chair

Location: 02/26/2025 - Senate Environmental Quality

Summary: Would revoke all authority of the State Air Resources Board to adopt, revise, or repeal regulations and would declare that any law granting authority to or requiring the state board to adopt, revise, or repeal regulations, or take an action that requires exercising regulatory authority, instead be read as only authorizing the state board to provide advice and propose measures to the Legislature for statutory enactment. The bill would require the state board to, as necessary, provide advice and propose measures to the Legislature for statutory enactment regarding its duties, as provided. The bill would declare that it does not invalidate or repeal any regulation adopted by the state board before January 1, 2026.

SB 486 (**Cabaldon, D**) **Regional housing: public postsecondary education: changes in enrollment levels: California Environmental Quality Act.**

Introduced: 02/19/2025

Last Amended: 04/03/2025

Status: 04/23/2025 - Set for hearing April 30.

Calendar: 04/30/25 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 113 BLAKESPEAR, CATHERINE, Chair

Location: 04/01/2025 - Senate Environmental Quality

Summary: Current law requires certain transportation planning agencies to prepare and adopt regional transportation plans directed at achieving a coordinated and balanced regional transportation system. Current law requires each regional transportation plan to include a sustainable communities strategy prepared by each metropolitan planning organization in order to, among other things, identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation, and employment growth. This bill would require the sustainable communities strategy, in identifying areas within the region sufficient to house all the population of the region, to also take into account changes in enrollment levels at institutions of public higher education, as defined, excluding changes in enrollment levels of nonresident students.

SB 496 (**Hurtado, D**) **Advanced Clean Fleets Regulation: appeals advisory committee: exemptions.**

Introduced: 02/19/2025

Last Amended: 04/07/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/22/2025 - Senate Appropriations

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases and requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions from those sources. Pursuant to its authority, the state board has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles. The Advanced Clean Fleets Regulation authorizes entities subject to the regulation to apply for exemptions from its requirements under certain circumstances. This bill would require the state board to establish the Advanced Clean Fleets Regulation Appeals Advisory Committee by an unspecified date for purposes of reviewing appeals of denied requests for exemptions from the requirements of the Advanced Clean Fleets Regulation. The bill would require the committee to include representatives of specified governmental and nongovernmental entities. The bill would require the committee to meet monthly and would require recordings of its meetings to be made publicly available on the state board's internet website. The bill would require the committee to consider, and make a recommendation on, an appeal of an exemption request denial no later than 60 days after the appeal is made. The bill would require specified information relating to the committee's consideration of an appeal to be made publicly available on the state board's internet website.

SB 506 (**Committee on Transportation, **) **Transportation: omnibus bill.**

Introduced: 02/19/2025

Last Amended: 03/24/2025

Status: 04/24/2025 - Read third time. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 04/24/2025 - Assembly DESK

Summary: (1)Current law requires that each application for an original or a renewal of a driver's license contain certain information, including the applicant's true full name, age, mailing address, and gender. Existing law also provides that if a driver's license is lost, destroyed, or mutilated, or if a new true full name is acquired, the person to whom the driver's license was issued shall obtain a duplicate if the person provides satisfactory proof of the loss, destruction, or mutilation. A violation of these provisions is an infraction.This bill would authorize a person who submits a change of address, as specified, to apply for a duplicate driver's license. The bill would require the applicant who receives a duplicate through this process to immediately destroy the license containing the prior mailing address. By creating a new crime, this bill would impose a state-mandated local program.

SB 511 (**Pérez, D**) **Autonomous vehicles.**

Introduced: 02/19/2025

Last Amended: 04/08/2025

Status: 04/18/2025 - April 22 set for first hearing canceled at the request of author.

Location: 04/02/2025 - Senate Transportation

Summary: Current law authorizes the operation of an autonomous vehicle on public roads for testing purposes by an operator who possesses the proper class of license for the type of vehicle operated if specified requirements are satisfied. Current law prohibits the operation of an autonomous vehicle on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. Commencing January 1, 2030, and to the extent authorized by federal law, current law requires that an autonomous vehicle with a model year of 2031 or later, as specified, only be operated pursuant to a deployment permit if it is a zero-emission vehicle. Current law defines an "autonomous vehicle" for these purposes to include a vehicle equipped with autonomous technology that meets the definition of Level 3, Level 4, or Level 5 of SAE International's standard J3016 from April 2021, as may be revised. Current law excludes specific technologies from the definition of an autonomous vehicle, including, among other things, systems that enhance safety or provide driver assistance that are not capable of driving the vehicle without the active control or monitoring of a human operator. A violation of these provisions is punishable as an infraction. This bill would instead require those zero-emission vehicle provisions to commence January 1, 2028, and apply to an autonomous vehicle with a model year of 2028 or later. This bill would revise the definition of autonomous vehicle to include a vehicle equipped with autonomous technology that meets the definition of Level 2 of that standard and restrict that definition only to the April 2021 version of the standard.

SB 513 (**Durazo, D**) **Personnel records.**

Introduced: 02/19/2025

Status: 04/22/2025 - Read second time. Ordered to third reading.

Calendar: 04/28/25 #60 S-SENATE BILLS -THIRD READING FILE

Location: 04/22/2025 - Senate THIRD READING

Summary: Current law requires the employer to make the contents of those personnel records available for inspection, as specified, and makes it a crime for an employer to violate these requirements. This bill would provide that personnel records relating to the employee's performance include education and training records and would require an employer who maintains education and training records to ensure those records include specified information.

SB 521 (Gonzalez, D) **Public employment: disqualification.**

Introduced: 02/19/2025

Last Amended: 04/24/2025

Status: 04/24/2025 - Read second time and amended. Re-referred to Com. on APPR.

Location: 04/23/2025 - Senate Appropriations

Summary: Current law disqualifies a public employee, as defined, from any public employment for 5 years if the employee is convicted of any felony involving accepting or giving, or offering to give, a bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes arising directly out of their official duties. This bill would expand that provision to include any felony involving a conflict of interest. The bill would also disqualify a city manager or city attorney, as defined, including an individual acting under contract with the city for those services, who is convicted of any of the above-described felonies, from any future public employment in an equivalent role.

SB 526 (Menjivar, D) **South Coast Air Quality Management District: air quality.**

Introduced: 02/20/2025

Status: 04/23/2025 - VOTE: Do pass as amended, but first amend, and re-refer to the Committee on [Appropriations] (PASS)

Location: 04/23/2025 - Senate Appropriations

Summary: The south coast district has adopted the Final 2021 PM10 Maintenance Plan for the South Coast Air Basin, which includes specified air quality attainment rules, including Rule 1157 (PM10 Emission Reductions from Aggregate and Related Operations) (Rule 1157). Rule 1157 establishes performance standards and specifies operational PM10 controls for aggregate and cement operations in order to minimize particulate emissions. This bill would require the south coast district board to update Rule 1157 to improve air quality and increase data collection. The bill would require the owner or operator of a covered facility, as defined, on or before January 1, 2027, to take specified actions, including maintaining fencing around the entire property fenceline that is a specified height and maintaining open storage piles no taller than 8 feet high, as provided, if the covered facility is within 500 feet of a sensitive receptor. The bill would define a sensitive receptor to mean a residence, school, park, or hospital, among other, similar facilities. The bill would require, on and after July 1, 2027, (1) the owner or operator of a covered facility with a demonstrated history of PM10 emissions at or above the threshold limit set by the south coast district and whose property line is within 500 feet of a sensitive receptor to fully enclose the existing open storage piles and (2) the south coast district to inspect the covered facility monthly until PM10 emissions remain below threshold limits for 3 consecutive months. By imposing additional duties on a local entity, the bill would impose a state-mandated local program.

SB 544 (Laird, D) **Railroad crossings: permit applications: review.**

Introduced: 02/20/2025

Status: 04/22/2025 - Set for hearing April 28.

Location: 04/09/2025 - Senate Appropriations

Summary: The bill would require an application for a railroad crossing to include, at a minimum, certain information concerning the proposed railroad crossing. The bill would authorize the commission to partially or completely exempt railroad crossing applications that meet certain requirements from review under otherwise applicable adjudication procedures and would authorize the commission to establish an expedited review and approval process for those applications.

SB 545 (**Cortese, D**) **High-speed rail: economic opportunities.**

Introduced: 02/20/2025

Last Amended: 04/23/2025

Status: 04/23/2025 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV.

Calendar: 04/30/25 S-LOCAL GOVERNMENT 9:30 a.m. - State Capitol, Room 112 DURAZO, MARÍA ELENA, Chair

Location: 03/05/2025 - Senate Local Government

Summary: Would require the Office of Land Use and Climate Innovation, on or before July 1, 2026, to commission a study on economic opportunities along the high-speed rail alignment, as provided, and to submit a progress report to the chairpersons of the Senate Committee on Transportation and the Assembly Committee on Transportation for input. The bill would require, on or before January 1, 2027, the study to be completed and a report on the study's findings and recommendations to be submitted to the appropriate policy and fiscal committees of the Legislature. The bill would require an infrastructure district, as defined, that uses its revenue to finance the construction of the high-speed rail project to dedicate a majority of its revenue to infrastructure projects within the jurisdiction of the local agencies that establish the district.

SB 549 (**Allen, D**) **Second Neighborhood Infill Finance and Transit Improvements Act.**

Introduced: 02/20/2025

Status: 03/24/2025 - Set for hearing May 7.

Calendar: 05/07/25 S-LOCAL GOVERNMENT 9:30 a.m. - 1021 O Street, Room 2200 DURAZO, MARÍA ELENA, Chair

Location: 03/05/2025 - Senate Local Government

Summary: Current law authorizes the infrastructure financing plan to provide for the division of taxes levied on taxable property in the area included within the district, as specified, and authorizes the public financing authority to issue bonds by adopting a resolution containing specified provisions, including a determination of the amount of tax revenue available or estimated to be available for the payment of the principal of, and interest on, the bonds. This bill would revise NIFTI-2 to instead authorize, for resolutions adopted under that act's provisions on or after January 1, 2026, a city, county, or city and county to adopt a resolution, at any time before or after the adoption of the infrastructure financing plan for an enhanced infrastructure financing district, to allocate property tax revenues, and to remove the authorization for adoption of a resolution that allocates revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or transactions and use taxes. The bill would also repeal the condition that the boundaries of the enhanced infrastructure financing district are coterminous with the city or county that established the district.

SB 563 (**Valladares, R**) **State parks: Off-highway Motor Vehicle Recreation: grants: eligible applicants.**

Introduced: 02/20/2025

Last Amended: 03/26/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/22/2025 - Senate Appropriations

Summary: The Off-Highway Motor Vehicle Recreation Act of 2003 creates the Division of Off-Highway Motor Vehicle Recreation and requires the division to develop and implement a grant and cooperative agreement program for specified purposes, including to support the planning, acquisition, development, maintenance, administration, operation, enforcement, restoration, and conservation of trails, trailheads, areas, and other facilities associated with use of off-highway motor vehicles. Under current law, eligible grant and cooperative agreement applicants include, among others, cities, counties, districts, state agencies, agencies of the United States, and federally recognized and state-recognized Native American tribes, as specified. This bill would expand eligible grant and cooperative agreement applicants to include special districts that employ sworn personnel, as provided.

SB 569 (**Blakespear, D**) **Department of Transportation: homeless encampments.**

Introduced: 02/20/2025

Last Amended: 04/21/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/22/2025 - Senate Appropriations

Summary: Current law authorizes the Department of Transportation to establish maintenance programs related to highway cleanup, as specified. This bill would require the department to establish a dedicated liaison to, among other things, facilitate communication with local governments and relevant state agencies with regard to addressing homeless encampments within the state highway system and to oversee the development and implementation of delegated maintenance agreements between local agencies and the department in which both work together to reduce and remove homeless encampments within the department's jurisdiction. The bill would authorize the department to grant a single general entry permit for the duration of a delegated maintenance agreement to conduct activities authorized by the bill. The bill would require the department to submit an annual report to the Legislature summarizing specified information and recommendations regarding homeless encampments.

SB 590 (**Durazo, D**) **Paid family leave: eligibility: care for designated persons.**

Introduced: 02/20/2025

Last Amended: 04/03/2025

Status: 04/21/2025 - April 21 hearing: Placed on APPR. suspense file.

Location: 04/21/2025 - Senate APPR. SUSPENSE FILE

Summary: Current unemployment compensation disability law requires workers to pay contribution rates based on, among other things, wages received in employment and benefit disbursement, for payment into the Unemployment Compensation Disability Fund, a special fund in the State Treasury. That fund is continuously appropriated for the purpose of providing disability benefits and making payment of expenses in administering those provisions. Current law establishes, within the above state disability insurance program, a family temporary disability insurance program, also known as the paid family leave program, for the provision of wage replacement benefits for up to 8 weeks to workers who take time off work for prescribed purposes, including to care for a seriously ill family member. Current law defines terms for its purposes, including family care leave and family member. This bill would, commencing July 1, 2027, expand eligibility for benefits under the paid family leave program to include individuals who take time off work to care for a seriously ill designated person.

SB 642 (**Limón, D**) **Employment: payment of wages.**

Introduced: 02/20/2025

Last Amended: 04/10/2025

Status: 04/23/2025 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 4. Noes 1.) (April 23). Re-referred to Com. on JUD.

Calendar: 04/29/25 S-JUDICIARY 9:30 a.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 04/23/2025 - Senate Judiciary

Summary: Existing law imposes varying requirements upon employers to share the pay scale for a position with an applicant or in a job posting, as provided. Existing law defines "pay scale" as the salary or hourly wage range that the employer reasonably expects to pay for the position. This bill would revise the definition of "pay scale" to mean an estimate of this expected wage range that is made in good faith. This bill contains other related provisions and other existing laws.

SB 667 (**Archuleta, D**) **Railroads: safety: wayside detectors: train length: emergency vehicle crossing.**

Introduced: 02/20/2025

Last Amended: 04/08/2025

Status: 04/22/2025 - From committee: Do pass and re-refer to Com. on TRANS. (Ayes 12. Noes 4.) (April 21). Re-referred to Com. on TRANS.

Calendar: 04/28/25 S-TRANSPORTATION 3 p.m. or upon adjournment of Session - 1021 O Street, Room 1200 CORTESE, DAVE, Chair

Location: 04/02/2025 - Senate Transportation

Summary: The Federal Railroad Safety Act (FRSA) authorizes the United States Secretary of Transportation to prescribe regulations and issue orders for railroad safety and requires the United States Secretary of Homeland Security, when prescribing a security regulation or issuing a security order that affects the safety of railroad operations, to consult with the United States Secretary of Transportation. The FRSA provides for state participation in the enforcement of the safety regulations and orders issued by the United States Secretary of Transportation or the United States Secretary of Homeland Security, pursuant to an annual certification, and authorizes the respective secretaries to make an agreement with a state to provide investigative and surveillance activities. The FRSA provides that, to the extent practicable, laws, regulations, and orders related to railroad safety and security are required to be nationally uniform, but authorizes a state to adopt or continue in force a law, regulation, or order related to railroad safety or security until the United States Secretary of Transportation, with respect to railroad safety matters, or the United States Secretary of Homeland Security, with respect to railroad security matters, prescribes a regulation or issues an order covering the subject matter of the state requirement. A state is additionally authorized to adopt or continue in force an additional or more stringent law, regulation, or order related to railroad safety or security, when necessary to eliminate or reduce an essentially local safety or security hazard, that is not incompatible with a federal law, regulation, or order, and that does not unreasonably burden interstate commerce. This bill would require a railroad corporation to install and operate a network of wayside detector systems on or adjacent to any track used by a freight train with maximum spacing specified for individual detection devices along a continuous track. The bill would define “wayside detector system” to mean an electronic device or series of connected devices that scans passing freight trains, rolling stock, on-track equipment, and their component equipment and parts for defects.

SB 671 (**Cervantes, D**) **Pedestrian crossing signals.**

Introduced: 02/20/2025

Status: 04/24/2025 - Read third time. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 04/24/2025 - Assembly DESK

Summary: Under current law, a pedestrian control signal showing a "WALK" or approved "Walking Person" symbol means a pedestrian may proceed across the roadway in the direction of the signal. Under existing law, a pedestrian facing a flashing "DON'T WALK" or "WAIT" or approved "Upraised Hand" symbol with a "countdown" signal, as specified, means a pedestrian may start crossing the roadway in the direction of the signal but requires the pedestrian to finish crossing prior to the display of the steady "DON'T WALK" or "WAIT" or approved "Upraised Hand" symbol, as specified. Upon the first placement or replacement of a traffic-actuated signal, as specified, current law requires that traffic-actuated signal to be installed and maintained to detect bicycle or motorcycle traffic on the roadway. For these purposes, current law defines a traffic-actuated signal as an official traffic signal, as specified, that displays one or more of its indications in response to traffic detected by mechanical, visual, electrical, or other means. Upon the first placement or replacement of a state-owned or -operated traffic-actuated signal, current law requires that the traffic-actuated signal to be installed and maintained to have a leading pedestrian interval (LPI) and include the installation, activation, and maintenance of an accessible pedestrian signal (APS) and detector that complies with certain sections of the California Manual on Uniform Traffic Control Devices (CA MUTCD). At crosswalks with state-owned or -operated traffic-actuated signals and pedestrian hybrid beacons with pedestrian signal heads, this bill would require the walk indication and other visual signals to comply with CA MUTCD. The bill would require these pedestrian signal heads to have an APS pushbutton or touch-free APS that activates "WALK" or "DON'T WALK" intervals and other visual signals at signalized intersections in nonvisual formats. The bill would require touch-free APS to be installed at new signalized pedestrian crossings on capital projects on the state highway system, encroachment projects, and highway maintenance-funded projects, as specified. The bill would require, as soon as practicable, all existing state-owned or -operated traffic signals located in certain areas to be identified and recorded in the Department of Transportation management system (TMS) inventory database to assist future annual operational review requirements and coordination with local agencies for delegated signals. The bill would require LPIs to be implemented at these existing state-owned or -operated traffic signals locations at the next opportunity for regularly scheduled operational reviews.

SB 684 (**Menjivar, D**) **Polluters Pay Climate Superfund Act of 2025.**

Introduced: 02/21/2025

Last Amended: 03/26/2025

Status: 04/10/2025 - April 22 set for first hearing canceled at the request of author.

Location: 04/03/2025 - Senate Judiciary

Summary: Would enact the Polluters Pay Climate Superfund Act of 2025 and would establish the Polluters Pay Climate Superfund Program to be administered by the California Environmental Protection Agency to require fossil fuel polluters to pay their fair share of the damage caused by greenhouse gases released into the atmosphere during the covered period, which the bill would define as the time period between the 1990 and 2024 calendar years, inclusive, resulting from the extraction, production, refining, sale, or combustion of fossil fuels or petroleum products, to relieve a portion of the burden to address cost borne by current and future California taxpayers. The bill would require the agency, within 90 days of the effective date of the act, to determine and publish a list of responsible parties, which the bill would define as an entity with a majority ownership interest in a business engaged in extracting or refining fossil fuels that, during the covered period, did business in the state or otherwise had sufficient contact with the state, and is determined by the agency to be responsible for more than 1,000,000,000 metric tons of covered fossil fuel emissions, as defined, in aggregate globally, during the covered period.

SB 707 (**Durazo, D**) **Open meetings: meeting and teleconference requirements.**

Introduced: 02/21/2025

Last Amended: 04/07/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/23/2025 - Senate Appropriations

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. This bill would, until January 1, 2030, require a city council or a county board of supervisors to comply with additional meeting requirements, including that all open and public meetings include an opportunity for members of the public to attend via a 2-way telephonic service or a 2-way audiovisual platform, as defined, that a system is in place for requesting and receiving interpretation services for public meetings, as specified, and that the city council or county board of supervisors encourage residents to participate in public meetings, as specified.

SB 714 (**Archuleta, D**) **Zero-emission vehicles: workforce development: Clean Energy Workforce Training Council.**

Introduced: 02/21/2025 (Spot bill)

Status: 03/12/2025 - Referred to Com. on RLS.

Location: 02/21/2025 - Senate Rules

Summary: Current law requires the Deputy Secretary for Climate to perform specified duties, including creating or coordinating programs with other state agencies to retrain and upskill workers for, among other jobs, clean energy jobs, as specified. This bill would state the intent of the Legislature to enact legislation that would establish a zero-emission vehicle workforce development pilot project and a Clean Energy Workforce Training Council, as provided.

SB 741 (**Blakespear, D**) **Coastal resources: coastal development permit: exemption: Los Angeles-San Diego-San Luis Obispo Rail Corridor.**

Introduced: 02/21/2025

Last Amended: 04/21/2025

Status: 04/25/2025 - Set for hearing May 5.

Calendar: 05/05/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 04/22/2025 - Senate Appropriations

Summary: The California Coastal Act of 1976, which is administered by the California Coastal Commission, requires any person wishing to perform or undertake any development in the coastal zone, as defined, to obtain a coastal development permit from a local government or the commission. Current law exempts from that coastal development permitting process certain emergency projects undertaken, carried out, or approved by a public agency to maintain, repair, or restore existing highways, as provided. This bill would expand that exemption to include certain emergency projects undertaken, carried out, or approved by a public agency to maintain, repair, or restore existing railroad track along the Los Angeles-San Diego-San Luis Obispo Rail Corridor, as provided.

SB 752 (**Richardson, D**) **Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.**

Introduced: 02/21/2025

Status: 03/18/2025 - Set for hearing May 14.

Calendar: 05/14/25 S-REVENUE AND TAXATION 9:30 a.m. - 1021 O Street, Room 1200 MCNERNEY, JERRY, Chair

Location: 03/12/2025 - Senate Revenue and Taxation

Summary: Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes, including, until January 1, 2026, an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, specified zero-emission technology transit buses sold to specified public agencies that are eligible for specified incentives from the State Air Resources Board. This bill would extend the exemption for specified zero-emission technology transit buses until January 1, 2028. This bill contains other related provisions.

SB 755 (**Blakespear, D**) **California Contractor Climate Transparency Act.**

Introduced: 02/21/2025

Last Amended: 04/01/2025

Status: 04/04/2025 - Set for hearing April 30.

Calendar: 04/30/25 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 113 BLAKESPEAR, CATHERINE, Chair

Location: 04/02/2025 - Senate Environmental Quality

Summary: The Climate Corporate Data Accountability Act requires, on or before July 1, 2025, the State Air Resources Board to develop and adopt regulations to require a reporting entity to, among other things, annually disclose all of the reporting entity's scope 1 emissions, scope 2 emissions, and scope 3 emissions, as defined. Current law also requires, on or before January 1, 2026, and biennially thereafter, a covered entity to prepare a climate-related financial risk report disclosing the entity's climate-related financial risk and measures adopted to reduce and adapt to climate-related financial risk. This bill would enact the California Contractor Climate Transparency Act, which would require the board, beginning January 1, 2027, to require a large contractor and a significant contractor, as defined, to report annually specified information, including, for large contractors, an annual disclosure of scope 1 emissions, scope 2 emissions, scope 3 emissions, and climate-related financial risk, as specified, and for significant contractors, an annual disclosure of scope 1 emissions and scope 2 emissions, as specified.

SB 769 (**Caballero, D**) **The Golden State Infrastructure Corporation Act.**

Introduced: 02/21/2025

Last Amended: 04/10/2025

Status: 04/21/2025 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 10. Noes 0.) (April 21). Re-referred to Com. on JUD.

Calendar: 04/29/25 S-JUDICIARY 9:30 a.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 04/21/2025 - Senate Judiciary

Summary: Current law establishes the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, to support the bank. This bill would enact the Golden State Infrastructure Corporation Act and would establish the Golden State Infrastructure Corporation, within the State Treasurer's Office, as a not-for-profit corporation for the purpose of administering the act and financing infrastructure projects. The bill would require the corporation to be governed by a board of directors, with a prescribed membership, and would require the business and affairs of the corporation to be managed by an executive director appointed by the Treasurer.

SB 772 (**Cabaldon, D**) **Infill Infrastructure Grant Program of 2019: applications: eligibility.**

Introduced: 02/21/2025

Last Amended: 04/22/2025

Status: 04/24/2025 - Set for hearing April 29.

Calendar: 04/29/25 S-HOUSING 1:30 p.m. - State Capitol, Room 112 WAHAB, AISHA, Chair

Location: 03/12/2025 - Senate Housing

Summary: Current law establishes the Infill Infrastructure Grant Program of 2019 (program), which requires the Department of Housing and Community Development, upon appropriation of funds by the Legislature, to establish and administer a grant program to allocate those funds to eligible applicants to fund capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project, qualifying infill area, or catalytic qualifying infill area. Current law requires the department to administer a specified competitive application process for capital improvement projects for large jurisdictions, as defined. For these purposes, current law defines a qualifying infill project to include a residential or mixed-use residential project located within an urbanized area on a vacant site where at least 75% of the perimeter of the site adjoins parcels that are developed with urban uses. For catalytic qualifying infill areas, existing law requires grants be provided using a selection process that, among other things, requires eligible applicants to submit documentation of all necessary entitlements and permits, and a certification that the project is shovel ready, except as provided. This bill would expand the definition of qualifying infill project to include a residential or mixed-use residential project located within an urbanized area on a vacant site where at least 75% of the perimeter of the site adjoins parcels that have been previously with urban uses.

SB 800 (**Reyes, D**) **State highways: overpasses: pilot program: suicide prevention.**

Introduced: 02/21/2025

Status: 04/10/2025 - Set for hearing April 28.

Calendar: 04/28/25 S-TRANSPORTATION 3 p.m. or upon adjournment of Session - 1021 O Street, Room 1200 CORTESE, DAVE, Chair

Location: 03/12/2025 - Senate Transportation

Summary: Would require the Department of Transportation to establish and administer a pilot program to install suicide deterrents on 10 freeway overpasses in the County of San Bernardino. The bill would require the suicide deterrents installed under the pilot program to include, but not be limited to, suicide prevention signage and a physical barrier designed to prevent a person from falling or intentionally jumping from the overpass in manner likely to cause death. The bill would require the department, in administering the pilot program, to prioritize the placement of suicide deterrents on freeway overpasses with the highest rates of documented suicides over the last 20 years.

SB 809 (**Durazo, D**) **Employees and independent contractors: construction trucking.**

Introduced: 02/21/2025

Last Amended: 04/24/2025

Status: 04/24/2025 - Read second time and amended. Re-referred to Com. on APPR.

Location: 04/23/2025 - Senate Appropriations

Summary: Current law requires a 3-part test, commonly known as the “ABC” test, to determine if workers are employees or independent contractors for those purposes. Current law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity’s business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is commonly known as the “ABC” test, as described above. Current law charges the Labor Commissioner with the enforcement of labor laws, including worker classification. Current law exempts specified occupations and business relationships from the application of Dynamex and the provisions described above. This bill would provide that mere ownership of a vehicle, including a personal vehicle or a commercial vehicle, used by a person in providing labor or services for remuneration does not make that person an independent contractor.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Federal Legislative Status Report

Legislative and Communications Committee Meeting of May 15, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and Wagner
Absent: Director Jung

Committee Vote

This item was passed by the Members present.

Staff Recommendation(s)

Receive and file as an information item.

May 15, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Federal Legislative Status Report

Overview

The Orange County Transportation Authority regularly updates the Legislative and Communications Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This update provides an outline of the transportation impacts resulting from budget reconciliation negotiations following the recent agreement on a budget resolution, an overview of the Public Employees' Pension Reform Act of 2013 and its implications for federal transit grant certification, an update on a compliance letter issued by the United States Department of Transportation outlining requirements for continued eligibility for federal funding, and a summary of two congressional hearings: one pertaining to transit policies and programs and the other related to the Highway Trust Fund.

Recommendation

Receive and file as an information item.

Discussion

Update on Budget Reconciliation Negotiations

After weeks of internal negotiations and uncertainty, the House of Representatives (House) narrowly agreed to a revised version of the budget blueprint initially passed by the House on February 25, 2025, setting in motion the next phase of the reconciliation process. On April 10, 2025, the House passed the Senate-amended fiscal year 2025 budget resolution with a 216 to 214 vote. This action finalized the budget resolution process, enabling Congress to utilize the reconciliation procedure to advance significant legislative priorities, including tax reform, border security, and federal spending adjustments. The approval of the revised resolution locks in the budget framework and allows Congress to begin drafting legislation designed to enact trillions of dollars in tax cuts and spending reductions using reconciliation procedures that only require a simple majority vote in the Senate, bypassing the filibuster.

The resolution's reconciliation instructions direct House committees to achieve a total of $1.5 trillion in deficit reduction over the next decade. Specific targets have been assigned to each committee, with the Ways and Means Committee responsible for identifying at least $900 billion in deficit reduction, primarily through changes to tax policy and entitlement programs. The Energy and Commerce Committee must find $200 billion in savings, largely affecting healthcare programs, while the Education and the Workforce Committee is tasked with reducing deficits by $100 billion. The Agriculture Committee must contribute $50 billion in cuts, likely involving adjustments to farm subsidies and nutrition programs. The Transportation and Infrastructure (T&I) Committee has been assigned a comparatively smaller target of $10 billion, given the limited discretionary spending under its jurisdiction. Additional committees, including Financial Services ($50 billion), Judiciary ($40 billion), Oversight and Accountability ($25 billion), and Natural Resources ($20 billion) also received assigned reduction targets.

While Senate leaders have publicly committed to matching the $1.5 trillion overall reduction goal, the Senate's formal reconciliation instructions require only $5 billion in actual deficit reduction, including with some committees being given the ability to increase the deficit. The Senate Environment and Public Works Committee is allowed to increase the deficit by up to $1 billion, and the Commerce, Science, and Transportation Committee may increase it by as much as $20 billion. The Armed Services Committee can increase the deficit by up to $150 billion, and both the Homeland Security and Governmental Affairs Committee and the Judiciary Committee may each increase it by $175 billion. In contrast, several committees, including Agriculture, Banking, Energy and Natural Resources, and Health, Education, Labor, and Pensions must each reduce the deficit by at least $1 billion. The Senate Finance Committee is also instructed to report legislation to raise the debt ceiling by no more than $5 trillion.

The Senate's budget resolution uses a "current policy baseline," which assumes expiring provisions of the 2017 Tax Cuts and Jobs Act will be extended without adding to the deficit. This results in a lower projected cost for making the cuts permanent and allows the Senate Finance Committee to propose up to $1.5 trillion in new tax reductions without offsets. In contrast, the House is operating under a stricter "current law baseline," which treats the extensions as new spending, leading to a $900 billion disparity between the two chambers.

The T&I Committee faces particular challenges in meeting its $10 billion reduction target because most of the federal transportation funding within its purview, such as highway and transit formula programs, is classified as mandatory spending that is already authorized under multi-year legislation, like the Infrastructure Investment and Jobs Act (IIJA). These funds are drawn directly from the Highway Trust Fund and are not subject to annual appropriations or discretionary rescission through the reconciliation process. Moreover, many of these programs fall partially under the jurisdiction of other committees, such as Ways and Means, which controls tax-related revenue mechanisms including fuel

taxes and user fees. As a result, the T&I Committee has relatively few budgetary levers available to produce sizable savings. However, the T&I Committee can propose rescinding unobligated balances from recent spending laws, such as the Inflation Reduction Act, order the sale of surplus federal real estate, or propose new user fees related to transportation infrastructure.

On April 30, 2025, the T&I Committee held a markup to consider legislation aimed at meeting the directive to reduce federal spending by $10 billion over ten years as part of reconciliation efforts. A key component of the bill is funding intended to support the Highway Trust Fund through registration fees, which Chairman Graves (R-MO) emphasized is shrinking due to declining gas tax revenues. Chairman Graves noted that this measure marks the beginning of a broader conversation about long-term alternatives to the gas tax for funding transportation infrastructure. Prior to its markup hearing, the proposal included new annual fees, adjusted annually to account for inflation: $200 for electric vehicles, $100 for hybrids, and $20 for all other vehicles, with certain exceptions. The fee on electric and hybrid vehicles would begin on October 1, 2026, and continue through October 1, 2035. The fee on other vehicles would begin on October 1, 2030, and expire on October 1, 2034. During the markup, an amendment was approved that would strike the $20 fee on passenger vehicles and would increase the annual fee for electric vehicles to $250.

The bill also outlines that these fees would be collected by state departments of motor vehicles and remitted to the Federal Highway Administration (FHWA). While states are not required to implement the program, they are incentivized to do so through two mechanisms: grants of up to $2 million to support implementation, and a penalty that would reduce a state's annual highway funding allocation of an amount equal to 125 percent of the estimated federal registration fee if it does not comply, starting in fiscal year 2027. Representative Rouzer (R-NC) noted these fees are intended to ensure all road users contribute fairly. A large coalition of transportation stakeholders, including the American Public Transportation Association and the American Association of State Highway and Transportation Officials, submitted a letter supporting the vehicle fees to provide continuity and predictability for Highway Trust Fund revenues; the letter is included in Attachment A. It remains unclear whether this funding will follow the traditional highway-transit split.

The proposal also includes rescissions of unobligated funds from the Inflation Reduction Act. These include grants under the FHWA, such as Neighborhood Access and Equity Grants, Environmental Review Implementation Funds, and Low-Carbon Transportation Materials Grants, as well as funding from the General Services Administration for green building programs and the Federal Aviation Administration's (FAA) Alternative Fuel and Low-Emission Aviation Technology Program. During the markup hearing, Democrat committee members opined the partisan nature of this process and the potential negative impacts these proposals will have on Americans. It should also be noted that Democrats proposed amendments to restore funding for transit, particularly for

zero-emission buses and support the 2028 Los Angeles Olympics and Paralympics, but those efforts were unsuccessful. In addition to the electric vehicle fees and rescissions from the Inflation Reduction Act, the T&I Committee's reconciliation bill provides funding for the FAA to update air traffic control facilities and support workforce needs. It also includes funding for the United States Coast Guard to acquire new vessels and improve infrastructure. Staff is continuing to monitor other committee bill proposals pertaining to reconciliation, such as the Ways and Means Committee.

Update on Public Employees' Pension Reform Act of 2013 and Federal Transit Grant Certification

The California Public Employees' Pension Reform Act of 2013 (PEPRA) has been a central point of legal and administrative debate for over a decade, particularly concerning the retention of collective bargaining rights for transit employees. On March 31, 2025, the United States Department of Labor (USDOL) issued a formal determination reaffirming its position that PEPRA does not infringe on collective bargaining rights and is not to be used as the reason to prevent certification of federal transit grants under Section 13(c) of the Federal Transit Act.

PEPRA was enacted by the California Legislature to address significant concerns over the long-term fiscal sustainability of the State's public pension systems. The law implemented sweeping changes to public employee retirement benefits, including increased employee contributions, a cap on pensionable earnings, new benefit formulas for newly hired employees, and the elimination of certain benefit enhancement practices. These reforms applied to the vast majority of state and local public employees, including those working for transit agencies, such as the Orange County Transportation Authority (OCTA).

The litigation surrounding PEPRA stems from a conflict between state-level pension reforms and federal requirements tied to transit funding. Under Section 13(c) of the Federal Transit Act, transit agencies must maintain the continuation of collective bargaining rights in order to qualify for federal financial assistance. Labor organizations, most prominently the Amalgamated Transit Union (ATU), have long argued that PEPRA unlawfully infringes on these rights by imposing mandatory pension terms without negotiation, thereby violating the conditions of federal funding eligibility.

Initially, USDOL denied certification to multiple California transit grants in 2013 and 2015, citing PEPRA's conflict with Section 13(c). Following legal challenges by the State of California and impacted agencies, a federal district court in 2018 issued an injunction barring USDOL from denying certification on the basis of PEPRA. USDOL then reversed its position in 2019, finding that PEPRA did not substantively impair collective bargaining. This interpretation was briefly reversed again in 2021, but the most recent determination now reaffirms the Department's 2019 conclusion. In its March 2025 letter, USDOL stated that

PEPRA, while imposing statutory limitations on pension benefits, does not preclude transit agencies and labor unions from collectively bargaining within those parameters. USDOL emphasized that Section 13(c) grants its discretion to assess whether protective arrangements are "fair and equitable," and found that PEPRA does not rise to the level of interference that would justify denying certification.

As a result, USDOL concluded that recent objections submitted by ATU were not sufficient under federal regulations and proceeded with certification for the relevant California transit grants. This decision reinforces the current position that transit agencies operating under PEPRA remain eligible for federal assistance, provided that all other applicable requirements are met.

United States Department of Transportation Letter on Federal Funding Compliance

On April 25, 2025, United States Transportation Secretary Sean Duffy issued a letter to all recipients of federal transportation funding outlining the latest interpretation of compliance requirements under existing federal law (Attachment B). The letters specifically details the following requirements:

- United States Department of Transportation (USDOT) funding recipients are prohibited from engaging in discriminatory actions in their policies, programs, and activities, including in administering contracts, and their employment practices. The letter identifies the following areas for compliance:
    - Any policy, program, or activity that is premised on a prohibited classification, including discriminatory policies or practices designed to achieve diversity, equity, and inclusion goals is presumptively in violation.
    - Recipients must also ensure that personnel practices are merit-based and do not discriminate based on prohibited categories.
    - Recipients are precluded from allocating money received under USDOT awards based on suspect classifications.

- USDOT funding recipients must also cooperate with federal authorities in the enforcement of federal law. This includes cooperating with, and not impeding, U.S. Immigration and Customs Enforcement and other federal offices and components of the Department of Homeland Security in the enforcement of federal immigration law. As part of this requirement, the letter specifies that recipients must ensure that federal financial assistance they receive from USDOT is "only provided to subrecipients, businesses or service providers that are U.S. Citizens or US Nationals and Lawful Permanent Residents or legal entities allowed to do business in the U.S., and which do not employ illegal aliens."

Within the letter is a reminder that USDOT may, within its oversight responsibilities, initiate enforcement actions which could include audits, possible recovery of funds that were misspent, or termination of funding in responses to breaches in agreement or if USDOT determines that continued funding is no longer in the public interest. Technical guidance and support through program offices are offered to help with these obligations. OCTA's legal counsel has reviewed the letter and does not anticipate any impact to the agency's federal funding. OCTA's hiring practices are merit-based, and the agency is not involved in immigration enforcement. OCTA will continue to work with federal partners to ensure proper use of all federal funds.

Summary of America Builds: A Review of Our Nation's Transit Policies and Programs Hearing

On April 9, 2025, the House T&I Subcommittee (Subcommittee) on Highways and Transit held a hearing titled "*America Builds: A Review of Our Nation's Transit Policies and Programs*". Subcommittee Chairman Rouzer opened the hearing remarking that despite receiving funding to increase ridership lost during the coronavirus (COVID-19) pandemic, ridership levels nationwide are still at 79 percent of pre-pandemic levels. When presenting these ridership and funding statistics, Chairman Rouzer also inquired whether "ridership" is the only variable that is worth examining when determining the success of the United States' transit systems.

Nathaniel P. Ford Sr., Chief Executive Officer of the Jacksonville Transportation Authority, testified on behalf of the American Public Transportation Association. In his opening remarks, he emphasized that every dollar invested in public transportation generates a $5 return to the economy. He urged Congress to continue robust funding to address the $100 billion state of good repair backlog and to meet the needs of transit riders in both urban and rural areas. Barbara K. Cline, Executive Director of Prairie Hills Transit, spoke on behalf of the Community Transportation Association of America. She advocated for a more equitable approach to distributing discretionary funding for rural transit agencies, noting that these funds are already highly competitive and difficult to secure.

Matthew Booterbaugh, Chief Executive Officer at Régie Autonome des Transports Parisiens Development USA, testified on behalf of the North American Transit Alliance. He highlighted the benefits of private contracting for transit agencies, emphasizing how contractors add value through operational and maintenance efficiencies, cost savings from competitive bidding, and the adoption of innovative technologies such as alternative fuel vehicles. Baruch Feigenbaum, Senior Managing Director of Transportation Policy at the Reason Foundation, outlined several challenges facing transit agencies nationwide. He identified crime, declining ridership, maintenance backlogs, and a disproportionate focus on attracting choice riders rather than serving dependent riders. He stressed that high-profile crime incidents can deter

ridership by making passengers feel unsafe. There was general agreement among the Subcommittee members on the urgency of addressing operator assaults. Greg Regan, President of the Transportation Trades Department on behalf of the American Federation of Labor and Congress of Industrial Organizations, called for greater protections for transit workers in the upcoming surface transportation reauthorization bill. He recommended that the bill includes a safety framework for autonomous vehicles, require transit agencies to submit comprehensive workforce development plans, and ensure that workers are retrained rather than replaced.

Some Subcommittee members criticized what they viewed as excessive spending on transit projects under the IIJA, referencing Chairman Rouzer's comment that these investments have not corresponded with increased ridership. In contrast, Representative Davids (D-KS) proposed allowing more flexibility in the use of 5307 formula funds to sustain transit service. Representative Johnson Jr. (D-GA) asked witnesses what support transit agencies need from Congress to avoid financial instability and maintain operations. Mr. Regan responded that the reauthorization bill must account for the diverse needs of agencies, some requiring more capital investment while others needing operational support. Some Subcommittee members asked if recent actions by the Administration have affected the transit industry. Witnesses acknowledged some unease, with agencies adjusting project language and expressing concern over potential federal funding cuts.

Overall, the discussion centered on strategies to increase ridership, secure equitable and sustainable funding, and protect both transit workers and passengers.

Summary of House Transportation and Infrastructure Subcommittee on Highways and Transit Hearing on Highway Trust Fund

On April 29, 2025, the House T&I Subcommittee held a hearing titled *"America Builds: The Need for a Long-Term Solution for the Highway Trust Fund."* Chairman Graves and Subcommittee Chairman Rouzer opened the hearing by warning of the Highway Trust Fund's looming $142 billion shortfall and stressed the need to restore the user-pays principle through new revenue streams, including a proposed registration fee on electric and hybrid vehicles. Both emphasized that continued reliance on General Fund transfers is unsustainable and would jeopardize future surface transportation programs.

Several members used the hearing to voice broader concerns about the Highway Trust Fund's current structure and investment priorities. Representative Garcia (D-CA) criticized the 80/20 funding split favoring highways over public transit, arguing that it perpetuates environmental injustice and worsening congestion. He opposed a proposed $200 electric vehicle fee as punitive, while witness Jeff Davis, Senior Fellow at the Eno Center for Transportation, responded that a fairer electric vehicle fee based on average fuel tax contributions would be closer

to $90 per year. Representative Friedman (D-CA) delivered an extended critique of highway expansion strategies, citing that despite a 42 percent increase in freeway lane miles between 1993 and 2017, congestion in the 100 largest United States metro areas grew by 144 percent. She emphasized that expanding highways to solve congestion causes induced demand, with real-world impacts including billions in wasted fuel, excess greenhouse gas emissions, and billions of hours lost annually to traffic. Representative Friedman argued for significantly greater investments in urban mass transit, which she argued reduces congestion but lowers emissions, supports public health, and creates economic savings for households who would otherwise face high transportation costs.

Representative Brownley (D-CA) expressed frustration that the House Ways and Means Committee has not held a major hearing on Highway Trust Fund solvency since 2004, calling for a joint committee hearing to drive real solutions. She also raised the importance of federal involvement in supporting transportation needs for the 2034 Winter Olympics in the State of Utah, asking whether discussions with Los Angeles and California leaders on Olympic planning could serve as a model. Mr. Braceras, Executive Director, Utah Department of Transportation, responded that the State of Utah has been working closely with transportation experts and emphasized that federal support will be critical, particularly for transit operations and security, just as it was during the successful 2002 Salt Lake City Games. Representative LaMalfa (R-CA) added concerns about the long-term fiscal trajectory of the Trust Fund, and Mr. Davis noted that slowing vehicle miles traveled, increasing vehicle efficiency, and repeated federal overspending are key contributors to the Highway Trust Fund's current challenges.

While witnesses offered various solutions, including electric vehicle fees, mileage-based user fees, and expanding private financing tools, the hearing closed with bipartisan agreement that piecemeal fixes will not be enough. Members stressed that ensuring the Highway Trust Fund's long-term solvency will require both modernized, equitable revenue strategies and a fundamental reassessment of how federal transportation dollars are allocated to meet today's economic, environmental, and public health needs.

Summary

An update is provided on recent developments pertaining to ongoing reconciliation negotiations and on the Public Employees' Pension Reform Act of 2013 and its effect on federal transit funding. A summary of a United States Department of Transportation letter on funding compliance and an overview of two congressional hearings is given.

Attachments

A. Letter from Coalition of Transportation Stakeholders to the Honorable Sam Graves, Chairman, House Transportation and Infrastructure Committee, dated April 25, 2025, re: Highway Trust Fund Revenues
B. Letter from Sean P. Duffy, Secretary, Department of Transportation, to All Recipients of U.S. Department of Transportation Funding, dated April 24, 2025, re: Federal Compliance Requirements
C. Potomac Partners DC, Monthly Legislative Report – April 2025

Prepared by:

Alexis Carter
Senior Government Relations Representative,
Government Relations
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Approved by:

Kristin Jacinto
Executive Director,
Government Relations
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ATTACHMENT A

April 25, 2025

The Hon. Sam Graves
Chairman
Committee on Transportation & Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Graves:

Investing in the nation's infrastructure provides far-reaching economic benefits. Recent congressional support for roads, bridges and public transportation systems has helped deliver much-needed projects to every congressional district across the country. These improvements have enhanced safety, mobility and efficiency nationwide.

These outcomes are made possible by the continuity and predictability of funding supported by a healthy Highway Trust Fund (HTF). At present, HTF revenues are generated primarily through user fees on the sale of gas and diesel fuels, along with transfers from the General Fund to make up for insufficient revenues.

However, improvements to vehicle efficiency and the influx of hybrid and electric vehicles have resulted in a system where all users of the system are not treated fairly. Instead, some users pay for the maintenance of the system, while other users pay less or nothing at all. At the same time, user fee revenue has not met system needs.

The undersigned organizations urge you to include a fee on electric and hybrid vehicles in the committee's upcoming reconciliation measure and dedicate the revenues solely to the HTF. While this solution would only partly enhance HTF revenues, it would help ensure all users of the system are paying for its upkeep.

We are grateful for the support Congress has provided for the nation's surface transportation infrastructure network and look forward to working with you to ensure users of the system equitably pay for their maintenance and expansion.

Sincerely,

American Road & Transportation Builders Association
Associated General Contractors of America
American Society of Civil Engineers
International Union of Operating Engineers
American Public Transportation Association
American Trucking Associations
American Association of State Highway and Transportation Officials

Associated Equipment Distributors
American Concrete Pavement Association
American Short Line and Regional Railroad Association
Association of Equipment Manufacturers
Independent Lubricant Manufacturers Association
American Concrete Pipe Association
American Institute of Steel Construction
National Steel Bridge Alliance
American Traffic Safety Services Association
National Ready Mixed Concrete Association
National Asphalt Pavement Association
Portland Cement Association
American Subcontractors Association
Design-Build Institute of America
Association of American Railroads
National Stone, Sand & Gravel Association
Precast/Prestressed Concrete Institute
American Council of Engineering Companies
Transportation Intermediaries Association (TIA)
Laborers International Union of North America
National Utility Contractors Association
Concrete Reinforcing Steel Institute
American Coal Ash Association
Essential Minerals Association

Cc: Transportation & Infrastructure Committee Members

ATTACHMENT B

THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

April 24, 2025

To All Recipients of U.S. Department of Transportation Funding:

The U.S. Department of Transportation (Department or DOT) distributes substantial Federal financial assistance for thousands of projects, programs, and activities operated or initiated by diverse entities, including but not limited to State and local governments. The Department administers this Federal financial assistance to support the development and maintenance of the Nation's transportation infrastructure, pursuant to statutory authority and in accordance with binding contractual agreements in the form of Federal financial assistance agreements, usually grants, cooperative agreements, and loans. Accordingly, I write to clarify and reaffirm pertinent legal requirements, to outline the Department's expectations, and to provide a reminder of your responsibilities and the consequences of noncompliance with Federal law and the terms of your financial assistance agreements. It is the policy of the Department to award and to continue to provide Federal financial assistance only to those recipients who comply with their legal obligations.

As recipients of such DOT funds, you have entered into legally enforceable agreements with the United States Government and are obligated to comply fully with all applicable Federal laws and regulations. These laws and regulations include the United States Constitution, Federal statutes, applicable rules, and public policy requirements, including, among others, those protecting free speech and religious liberty and those prohibiting discrimination and enforcing controls on illegal immigration. As Secretary of Transportation, I am responsible for ensuring recipients of DOT financial assistance are aware of and comply with all applicable legal obligations.

The Equal Protection principles of the Constitution prohibit State and Federal governmental entities from discriminating on the basis of protected characteristics, including race. Indeed, as the Supreme Court declared in *Students for Fair Admission, Inc. v. Harvard (SFFA)*, 600 U.S. 181, 206 (2023), "[t]he clear and central purpose of the Fourteenth Amendment was to eliminate all official state sources of invidious racial discrimination in the States." The Court further noted that "[o]ne of the principal reasons race is treated as a forbidden classification is that it demeans the dignity and worth of a person to be judged by ancestry instead of by his or her own merit and essential qualities." *Id.* at 220. In ruling that race-based admissions programs at universities violated the Equal Protection Clause, the Court made clear that discrimination based on race is, has been, and will continue to be unlawful, except in rare circumstances. *Id.* at 220-21. Similarly, sex-based classifications violate the Equal Protection Clause absent "exceedingly persuasive" justification. *See United States v. Virginia*, 518 U.S. 515, 533 (1996).

These constitutional principles are reinforced by the Civil Rights Act of 1964, which prohibits discrimination based on protected characteristics in the Federal funding and employment contexts in Title VI (42 U.S.C. § 2000d *et seq.*) and Title VII (42 U.S.C. § 2000e-2), as well as the applicable non-discrimination clauses in the Federal Aid Highway Act of 1973 (23 U.S.C. §§ 140 and 324 *et seq.*), the Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), and Title IX of the Education Amendments of 1972, as amended (20 U.S.C. § 1681 *et seq.*).

Based on binding Supreme Court precedent and these Federal laws, DOT is prohibited from discriminating based on race, color, national origin, sex, or religion in any of its programs or activities. Moreover, because DOT may not establish, induce, or endorse prohibited discrimination indirectly,[1] it must ensure that discrimination based on race, color, national origin, sex, or religion does not exist in the programs or activities it funds or financially assists.

These same principles apply to recipients of Federal financial assistance from DOT, as both a matter of Federal law and by virtue of contractual provisions governing receipt of DOT funding. Accordingly, DOT recipients are prohibited from engaging in discriminatory actions in their own policies, programs, and activities, including in administering contracts, and their employment practices.

Whether or not described in neutral terms, any policy, program, or activity that is premised on a prohibited classification, including discriminatory policies or practices designed to achieve so-called "diversity, equity, and inclusion," or "DEI," goals, presumptively violates Federal law. Recipients of DOT financial assistance must ensure that the personnel practices (including hiring, promotions, and terminations) within their organizations are merit-based and do not discriminate based on prohibited categories. Recipients are also precluded from allocating money received under DOT awards—such as through contracts or the provision of other benefits—based on suspect classifications. Any discriminatory actions in your policies, programs, and activities based on prohibited categories constitute a clear violation of Federal law and the terms of your grant agreements.

In addition, your legal obligations require cooperation generally with Federal authorities in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law. DOT has noted reported instances where some recipients of Federal financial assistance have declined to cooperate with ICE investigations, have issued driver's licenses to individuals present in the United States in violation of Federal immigration law, or have otherwise acted in a manner that impedes Federal law enforcement. Such actions undermine Federal sovereignty in the enforcement of immigration law, compromise the safety and security of the transportation systems supported by DOT

[1] *See SFFA*, 600 U.S. at 230; Norwood v. Harrison, 413 U.S. 455, 465 (1973).

financial assistance, and prioritize illegal aliens over the safety and welfare of the American people whose Federal taxes fund DOT's financial assistance programs.

Under the Constitution, Federal law is "the supreme Law of the Land." U.S. Const. Art. VI. That means that where Federal and State legal requirements conflict, States and State entities must follow Federal law. Declining to cooperate with the enforcement of Federal immigration law or otherwise taking action intended to shield illegal aliens from ICE detection contravenes Federal law and may give rise to civil and criminal liability. *See* 8 U.S.C. § 1324 and 8 U.S.C. § 1373. Accordingly, DOT expects its recipients to comply with Federal law enforcement directives and to cooperate with Federal officials in the enforcement of Federal immigration law. The Department also expects its recipients to ensure that the Federal financial assistance they receive from DOT is provided only to subrecipients, businesses, or service providers that are U.S. Citizens or U.S. Nationals and Lawful Permanent Residents (LPRs) or legal entities allowed to do business in the U.S. and which do not employ illegal aliens.

This letter provides notice of the Department's existing interpretation of Federal law. The Department will vigorously enforce the law on equal terms as to all its recipients and intends to take appropriate measures to assess their compliance based on the interpretation of Federal law set forth in this letter. Adherence to your legal obligations is a prerequisite for receipt of DOT financial assistance. Noncompliance with applicable Federal laws, or failure to cooperate generally with Federal authorities in the enforcement of Federal law, will jeopardize your continued receipt of Federal financial assistance from DOT and could lead to a loss of Federal funding from DOT.

The Department retains authority, pursuant to its oversight responsibilities and the terms of your agreements, to initiate enforcement actions, such as comprehensive audits and possible recovery of funds expended in a manner contrary to the terms of the funding agreement. DOT may also terminate funding in response to substantiated breaches of the terms of the agreement, or if DOT determines that continued funding is no longer in the public interest. These steps, within DOT's discretion, are intended to ensure accountability and protect the integrity of Federal programs.

To assist grant recipients in meeting their legal obligations, DOT offers technical guidance and support through its program offices. Should you require clarification regarding your obligations, you are encouraged to contact your designated DOT representative promptly. Proactive engagement is strongly advised to prevent inadvertent noncompliance.

DOT remains committed to advancing a transportation system that serves the public interest efficiently and unleashes economic prosperity and a superior quality of life for American families. This mission depends upon your strict adherence to the legal framework governing our partnership, and I trust you will take all necessary steps to comply with Federal law and satisfy your legal obligations.

Sincerely,

Sean P. Duffy

POTOMAC PARTNERS DC

Monthly Legislative Report – **April 2025**

Advocacy Meetings

Office of Congressman Mike Levin (D-CA) – We followed up with Rep. Levin's staff regarding the Orange County Transportation Authority's (OCTA) Community Project Funding (CPF) request for the Interstate 5 (I-5) Improvement Project between the Avenida Pico interchange and the San Diego County Line. The project will reduce traffic congestion and provide intercounty connectivity between Orange County and San Diego County.

Office of Congresswoman Young Kim (R-CA) – We worked with staff to facilitate submission of the I-5 Improvement Project between Yale Avenue and State Route 55 (SR-55) CPF request for OCTA.

Office of Congresswoman Linda Sanchez (D-CA) – We facilitated the submission of the Orange County (OC) Loop Project CPF request for OCTA and followed up with staff to provide support letters and additional information on the project's funding history.

Congressman Derek Tran (D-CA) – We facilitated the submission of the State Route 57 (SR-57) Improvement Project between Lambert Road and the Orange County Line CPF request for OCTA and followed up with staff.

Congressman David Min (D-CA) – We helped submit OCTA's CPF request to support the deployment of advanced technology upgrades to signals throughout Orange County. We also met with the staff to provide additional information regarding OCTA's board adopted Surface Transportation Reauthorization legislation principles, and we are scheduling a follow up call in May to discuss possible legislative language that would restore local suballocation authority for Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) funds.

Congressman Lou Correa (D-CA) – We helped submit OCTA's CPF request to support the State Route 91 (SR-91) Improvement Project between Acacia Street and La Palma Avenue. We also met with staff to discuss OCTA's Surface Transportation Authorization principles and requests to include the restoration of local suballocation authority for STB and CMAQ funds. In a separate meeting, we also discussed possible appropriations funding to help the Southern California region prepare for the 2028 Olympic and Paralympic Games.

Office of Senator Adam Schiff (D-CA) – We helped facilitate a Congressionally Directed Spending (CDS) request for funding to expand OCTA's Rideshare Vanpool Program in Orange County with an all-electric option and followed up with staff regarding additional support letters and information. We also followed up with the office on submitting OCTA's Surface Transportation Reauthorization principles to their office portal.

Office of Senator Alex Padilla (D-CA) – We helped facilitate a CDS request for funding OCTA's *Alternative Fuel Paratransit Bus Pilot* program and followed up with staff regarding

additional support letters and information. We also discussed with staff support for additional federal transportation funding to help the Southern California region prepare for the 2028 Olympic and Paralympic Games.

House Transportation & Infrastructure (T&I) Subcommittee on Highways and Staff – We met with subcommittee staff several times this month to discuss OCTA's surface transportation reauthorization requests and the timing for a potential markup of the bill. We also discussed possible language for the legislation that would restore local suballocation authority for STBG and CMAQ funds. We also discussed preservation of tolling policies that allow for locally driven reinvestment of toll revenues into transportation systems.

Senate Banking Committee, Minority Staff – We followed up Minority staff to discuss reforms to simplify the application processes and ensure a more equitable and balanced distribution of discretionary transit funding.

Senate Environment and Public Works Committee, Majority Staff – We followed up with the committee staff to discuss the Surface Transportation Reauthorization legislation in the Senate following the April 2nd Committee hearing where Secretary Duffy testified on U.S. Department of Transportation's (USDOT) principles for the reauthorization, which echoed Chair Capito's (R-WV) principles. We also followed up with the committee staff to discuss the importance of the CMAQ program to achieving air quality goals.

House T&I Subcommittee on Railroads Majority Staff – We followed up with committee staff to discuss reforms to expedite environmental reviews and federal approvals for rail projects.

Budget Reconciliation Update for April

Congress returned from a two-week Spring Recess on April 28th, 2025. House and Senate leadership continue to focus on passing their respective budget reconciliation packages that will fund the Trump Administration's domestic priorities. Prior to leaving for their two-week recess, both the House and Senate adopted their budget resolutions, the prelude to committees being able to markup reconciliation bills that will cut spending and make specific tax cuts permanent. Once all the relevant House Committees markup their portion of the reconciliation bill, House Speaker Mike Johnson indicated that the House currently plans to bring their reconciliation bill to the House Floor the week of May 19, 2025, prior to Congress adjourning for the Memorial Day holiday.

House Republicans have sought to work out additional details before public-facing committee markups begin. Speaker Mike Johnson is managing opposition from both fiscal conservatives and moderates in his party. To overcome initial opposition from some House Republican members, he is targeting approximately $1.5 trillion in funding cuts. An April 14 letter from other more moderate Republican members said they could not support a bill with the proposed $880 billion in cuts to Medicare and Medicaid. To try and balance these issues, the idea of a tax increase on incomes over $1 million was proposed by some Congressional Republicans but has been largely rejected by GOP leadership.

The House markup schedule currently is as follows:

Armed Services: April 28; *Committee Print Passed 35-21*
Homeland Security: April 28 *Committee Print Passed 18-14*
Education and Workforce: April 28 *Committee Print Passed 21-14*
Financial Services: April 30 *Committee Print Passed 30-22*
Oversight and Government Reform: April 30 *Committee Print Passed 22-21*
Judiciary: April 30 *Committee Print Passed 23-17*
Transportation and Infrastructure: April 30 *Committee Print Passed 36-30*
Agriculture: Week of May 5
Energy and Commerce (Medicare/Medicaid): May 7
Ways and Means (Taxes): Later in May

Providing additional incentive for Congress to move quickly on reconciliation, Treasury is close to finalizing when the US will hit the debt limit (which is likely late August) and begin to default on its financial obligations. The debt limit was suspended from 2023 to January 2, 2025, at which point it had been exceeded, and the Treasury began taking "extraordinary measures" to keep the US from default. The economic consequences of hitting the debt ceiling would be severe, and as such, it is a significant motivating factor for Republicans to push reconciliation forward quickly and include some remedy for the debt ceiling.

House T&I Committee Marks up Budget Reconciliation

At the end of the month, the House T&I Committee approved its budget reconciliation proposal, which combines additional funding for border and national security and for improving America's air traffic control system with other deficit-reducing provisions that could provide a targeted net reduction of more than $10 billion.

A manager's amendment offered by Chairman Graves was approved by a vote of 36-30. This manager's amendment made technical changes, removed a $20 vehicle registration fee, and increased the Electric Vehicle (EV) fee to $250 (while retaining the $100 hybrid fee).

Included in the amendment that rescinded unobligated funds for Inflation Reduction Act (IRA) and Bipartisan Infrastructure LAW (BIL) programs to include:

- Neighborhood Access and Equity Grants;
- Environmental Review Implementation Funds;
- Low-Carbon Transportation Materials Grants under the Federal Highway Administration;
- Assistance for Federal Buildings, Use of Low-Carbon Materials, and Emerging Technologies funding under the General Services Administration (GSA).
- The Federal Aviation Administration's (FAA's) Alternative Fuel and Low-Emission Aviation Technology Program.

More information from the Committee markup can be found here.

House T&I Committee Hearings on Surface Transportation Reauthorization

Like the Senate EPW committee's hearing on April 2nd, the House T&I Committee held two hearings to discuss their principles for the Surface Transportation Reauthorization. The first hearing on April 9th focused on mass transit policies and programs. The full hearing and witness testimony documents are available here. The second hearing on April 29th focused on the need for a long-term solution to the Highway Trust Fund. The full hearing is available here. We are expecting in May for the Secretary of Transportation to testify at both a T&I hearing as well as an Appropriations hearing regarding the President's Budget.

President Trump Releases his Fiscal Year 2026 "Skinny" Budget

President Trump sent his first proposed budget to Congress for FY26. The budget is unofficially called a "skinny" budget, since it doesn't have all the usual details, which are said to be forthcoming. However, the budget does outline major cuts that include the following:

- Proposes a $163 billion (22.6%) overall reduction in discretionary spending compared to FY25.
- $175 billion for border security.
- Significant reductions to major HUD programs.
- 13% increase in Defense spending ($1.01 trillion)
- Major reductions in HHS spending (LIHEAP, CSBG, HSRA, NIH, SAMHSA, etc.)
- Requests increased spending in all major USDOT accounts.
- Requests defunding Economic Development Administration and the elimination of the Minority Business Development Agency (MBDA).

Most of the budget documents covers FY26 annual discretionary spending budget. It does not include mandatory spending, such as for entitlement programs where statutory eligibility changes would be needed for cuts, which will be dealt with in the Budget Reconciliation Bill.

Transportation was among the few areas not cut. The 5.8% increase appears to reflect a status quo assuming the last year of the 5-year IIJA funding in FY26.

A link to the official White House document can be found here: The President's FY 2026 Discretionary Budget Request – OMB – The White House.

House Joint Resolutions Targeting Environmental Regulations

At the end of the month, the House considered and passed five joint resolutions that would vacate actions of the Biden administration, including three that would nullify waivers, not historically considered rules, allowing California to set its own vehicle emissions standards. One measure (H.J.Res 88) from Congressman John Joyce (R-PA) would block the

Environmental Protection Agency (EPA) waiver that allows California to finalize a rule that would effectively phase out the sale of new gasoline-powered cars by 2035. Because other Democratic-led states voluntarily adopt California's standards, Republicans say the waiver effectively allows California to dictate the national standard.

A joint resolution (H.J.Res 89) from Congressman Jay Obernolte (R-CA) would block California's waiver from the EPA to set stricter nitrogen oxide engine emission standards. The next resolution (H.J.Res 87) from Congressman John James (R-MI) would block the EPA's waiver allowing the state to set stricter emissions standards on heavy-duty vehicles. The other two joint resolutions target more traditional rules. A joint resolution (H.J.Res 78) introduced by Congressman Doug LaMalfa (R-CA) would nullify a rule the U.S. Fish and Wildlife Service finalized last July that listed a population of longfin smelt in the San Francisco delta as endangered under a 1973 law (PL 93-205). The fifth joint resolution (H.J.Res 60) from Congresswoman Celeste Maloy (R-UT) would nullify a rule from the National Park Service that revised rules for off-road vehicles to prohibit their use in certain areas of the Glen Canyon National Recreation Area in Utah and Arizona.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Consultant Selection for On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Transit Committee Meeting of May 8, 2025

Present: Directors Amezcua, Jung, Klopfenstein, Leon, Janet Nguyen, Tam T. Nguyen, and Sarmiento
Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Approve the selection of Stantec Architecture Inc., M. Arthur Gensler, Jr. & Associates, Inc., Anil Verma Associates, Inc., STV Incorporated, Dahl, Taylor & Associates, Inc., and IDS Group, Inc., in the aggregate amount of $3,000,000, as the firms to provide on call architectural and engineering design and construction support services for transit facility projects.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2610 between the Orange County Transportation Authority and Stantec Architecture Inc., to provide on-all architectural and engineering services for a three-year initial term, and one, two-year option term.

C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4060 between the Orange County Transportation Authority and M. Arthur Gensler, Jr. & Associates, Inc., to provide on call architectural and engineering services for a three-year initial term, and one, two-year option term.

D. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4061 between the Orange County Transportation Authority and Anil Verma Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

E. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4062 between the Orange County Transportation Authority and STV Incorporated, to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

F. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4063 between the Orange County Transportation Authority and Dahl, Taylor & Associates, Inc., to provide on-all architectural and engineering services for a three-year initial term, and one, two-year option term.

G. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4064 between the Orange County Transportation Authority and IDS Group, Inc., to provide on-all architectural and engineering services for a three-year initial term, and one, two-year option term.

OCTA

May 8, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Consultant Selection for On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Overview

On January 13, 2025, the Orange County Transportation Authority Board of Directors authorized the issuance of a request for proposals to retain consultants to provide on-call architectural and engineering design and construction support services for transit facility projects. Board of Directors' approval is requested to select the firms to perform the required work.

Recommendations

A. Approve the selection of Stantec Architecture Inc., M. Arthur Gensler, Jr. & Associates, Inc., Anil Verma Associates, Inc., STV Incorporated, Dahl, Taylor & Associates, Inc., and IDS Group, Inc., in the aggregate amount of $3,000,000, as the firms to provide on-call architectural and engineering design and construction support services for transit facility projects.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2610 between the Orange County Transportation Authority and Stantec Architecture Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4060 between the Orange County Transportation Authority and M. Arthur Gensler, Jr. & Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

D. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4061 between the Orange County Transportation Authority and Anil Verma Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

E. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4062 between the Orange County Transportation Authority and STV Incorporated, to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

F. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4063 between the Orange County Transportation Authority and Dahl, Taylor & Associates, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

G. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4064 between the Orange County Transportation Authority and IDS Group, Inc., to provide on-call architectural and engineering services for a three-year initial term, and one, two-year option term.

Discussion

The Orange County Transportation Authority (OCTA) owns, operates, and maintains five maintenance and operations bus bases, two park-and-ride facilities, and five transportation centers. The facilities are comprised of 56 buildings and structures totaling over 400,000 square feet. The structures are situated on approximately 89 acres of property throughout Orange County.

Architectural and engineering (A&E) design and construction support services for capital improvements, maintenance projects, facility modifications, and other projects as requested by OCTA, will be necessary to maintain OCTA's transit facilities in a state of good repair. Typical facility projects include repair and/or installation of bus hoists, elevators, heating ventilation and air conditioning systems, parking lot concrete and asphalt pavement and striping, roof replacements, zero-emission bus fueling systems, and facility modifications for compliance with the Americans with Disabilities Act.

The current bench of five on-call consultant agreements was established in 2020, and the agreements are scheduled to expire starting August 31, 2025. The new on-call list of firms will replace the existing bench. Services provided under this new on-call bench of agreements will be requested on an as-needed basis and authorized through the issuance of contract task orders (CTO). Each CTO will include a site-specific statement of work to establish the project duration, document the agreed-upon price, and provide any other information that may be required to perform the services.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for A&E services that conform to both federal and state laws. Proposals are evaluated and ranked in accordance with the qualifications of the firm, staffing and project organization, as well as work plan. As this is an A&E procurement, price is not an evaluation criterion pursuant to state and federal laws. Evaluation of the proposals was conducted based on overall qualifications to develop a competitive range of offerors. The recommended firms are requested to submit cost proposals, and the final agreements are negotiated. The contracts awarded will have a three-year initial term, and one, two-year option term.

On January 13, 2025, the Board authorized the release of Request for Proposals (RFP) 4-2610, which was electronically issued on CAMM NET. The Project was advertised in a newspaper of general circulation on January 13 and January 20, 2025. A pre-proposal conference was held on January 21, 2025, with 25 attendees representing 17 firms. Three addenda were issued to provide a copy of the pre-proposal conference registration sheets and presentation, provide responses to questions received, and handle administrative issues related to the RFP.

On February 12, 2025, seven proposals were received. An evaluation committee consisting of staff from the Contracts Administration and Materials Management, Facilities Engineering, Health, Safety, and Environmental Compliance, Capital Project Delivery, and Maintenance-Administration departments met to review the proposals received. The proposals were evaluated based on the following Board-approved evaluation criteria and weightings:

- Qualifications of the Firm 35 percent
- Staffing and Project Organization 40 percent
- Work Plan 25 percent

In developing the criteria weightings, several factors were considered. The qualifications of the firm was assigned a high level of importance since firms with a variety of design and project experience are advantageous to the project. The greatest importance was assigned to staffing and project organization, as the qualifications of the project manager and task leaders are critical to successful completion of the individual CTO. The firms' work plan has the lowest weighting and will broadly evaluate the proposed project management approach and processes necessary for effective execution of the CTOs. As this is an A&E procurement, price was not an evaluation criterion pursuant to state and federal laws.

The procurement sought to establish a pool of qualified firms to perform the required services. Once the pool of qualified firms is established, specific work assignments will be made via the issuance of CTOs on a rotational basis, in accordance with OCTA's procurement policies and procedures.

The evaluation committee reviewed and discussed all responsive proposals based on the evaluation criteria and found six firms most-qualified to perform the required services. The most qualified firms are listed below in alphabetical order:

Firm and Location

Anil Verma Associates, Inc. (AVA)
Headquarters: Los Angeles, California
Project Office: Los Angeles, California

Dahl, Taylor & Associates, Inc. (DTA)
Headquarters: Santa Ana, California
Project Office: Santa Ana, California

IDS Group, Inc. (IDS)
Headquarters: Irvine, California
Project Office: Irvine, California

M. Arthur Gensler, Jr. & Associates, Inc. (Gensler)
Headquarters: Newport Beach, California
Project Office: Los Angeles, California

Stantec Architecture Inc. (Stantec)
Headquarters: Edmonton, Alberta, Canada
Project Office: Los Angeles, California

STV Incorporated (STV)
Headquarters: New York, New York
Project Office: Irvine, California

On March 24, 2025, the evaluation committee interviewed the six short-listed firms. The interviews consisted of a presentation allowing each team to discuss its qualifications, highlight its personnel, and respond to the evaluation committee's questions. Questions were asked relative to each team's role on transit facility projects similar those identified in the RFP scope of work, the responsibilities of the proposed project manager during the CTO, experience working with proposed subconsultants, and the strategy for ensuring health, safety, and environmental compliance across multiple project sites. Each firm was also asked specific clarification questions related to its proposal and/or interview responses.

Based on the final scores, as well as the evaluation of written proposals and information obtained from the interviews, the evaluation committee recommends all six firms for award. Each of the six firms demonstrated qualifications and experience successfully delivering projects of the same and/or similar nature for transit facilities with public agencies. The firms demonstrated a sound and thorough understanding of the scope of work, the various project types, and the ability to meet OCTA's needs. Brief summaries of the evaluation results of the recommended firms follow.

Qualifications of the Firm

All six recommended firms demonstrated substantial and directly relevant experience successfully providing design and construction support services on similar transit facility projects. These firms demonstrated expertise in civil, mechanical, electrical, and structural design, as well as zero-emission fueling technology and other required technical specialties.

These multidisciplinary firms demonstrated robust capabilities in both design and construction support for a wide range of transit facility design projects. All recommended firms have successfully provided similar services for OCTA and/or other public agencies, having delivered hundreds of transit facility projects for public agencies such as the Los Angeles County Metropolitan Transportation Authority, Bay Area Rapid Transit, San Diego Metropolitan Transit System, City of Los Angeles Department of Transportation, and Santa Barbara Metropolitan Transit District.

Staffing and Project Organization

All firms have adequate staff resources to support on-call services. The recommended firms proposed experienced teams that represent various disciplines to support OCTA's broad range of projects for the next three years. The staff of each firm was familiar with the local agencies that have jurisdiction over OCTA's projects and the local permitting processes. Interviews with the firms validated staff credentials and ability to support OCTA's anticipated projects.

The project managers and key personnel proposed by the recommended firms, along with the subconsultant teams, are all qualified and demonstrate extensive knowledge of transit facility projects. All recommended firms proposed experienced and qualified project managers and other key personnel, as well as supporting technical personnel, to serve and assist OCTA in facility modification projects and provide the required support services during construction. The proposed availability of each team's key personnel met OCTA's anticipated projects.

Work Plan

The work plans submitted by the recommended firms fully align with the scope of work outlined in the RFP. Each firm demonstrated a comprehensive understanding of the on-call process by outlining a complete and logical methodology for executing each CTO. The proposals effectively addressed critical elements such as project scheduling, communication protocols, quality assurance/quality control, safety measures, and budget management. Additionally, the firms exhibited a strong commitment to designing projects that meet anticipated project needs while staying within budget.

Procurement Summary

Based on the evaluation of the written proposals, and information obtained during the interviews, the evaluation committee recommends award of contracts to Stantec Architecture Inc., M. Arthur Gensler, Jr. & Associates, Inc., Anil Verma Associates, Inc., STV Incorporated, Dahl, Taylor & Associates, Inc., and IDS Group, Inc. All six recommended firms proposed highly qualified personnel, demonstrated relevant and recent experience in transit facility modification projects, and a sound and thorough understanding of the scope of work. All six firms conducted interviews that demonstrated an understanding of the overall requirements of the RFP.

Fiscal Impact

Funding for this project is included in the OCTA Proposed Fiscal Year 2025-26 Budget, Capital Programs Division, Account No. 1722-7629-D3107-2BT, and will be funded through local transportation funds.

Summary

Staff requests Board of Directors' approval for the Chief Executive Officer to negotiate and execute agreements with Stantec Architecture Inc., M. Arthur Gensler, Jr. & Associates, Inc., Anil Verma Associates, Inc., STV Incorporated, Dahl, Taylor & Associates, Inc., and IDS Group, Inc., in the aggregate amount of $3,000,000, as the firms to provide on-call architectural and engineering design and construction support services for transit facility projects for a three-year term with one, two-year option term.

Attachments

A. Review of Proposals - RFP 4-2610 On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects
B. Proposal Evaluation Criteria Matrix (Short-Listed) - RFP 4-2610 On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects
C. Contract History for the Past Two Years - RFP 4-2610: On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

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ATTACHMENT A

Review of Proposals

RFP 4-2610 On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Presented to Transit Committee - May 8, 2025

7 proposals were received, 6 firms were interviewed, 6 firms are being recommended.

Overall Ranking	Overall Score	Firm & Location	Subcontractors	Evaluation Committee Comments
1	91	Stantec Architecture Inc. Los Angeles, California	Diaz Yourman & Associates Dokken Engineering Jacobus & Yuang, Inc.	Highest-ranked overall proposal. Recent and relevant experience as a prime consultant with transit facility projects at Orange County Transportation Authority (OCTA) and other transit agencies. Prime consultant is a multi-disciplined firm. Proposed retaining the same project manager and numerous other supporting personnel from the current agreement, all of whom are experienced and well qualified. Demonstrated a comprehensive understanding of the work plan by initially conducting in-depth interviews to assess project needs, followed by a detailed discussion outlining the sequence of tasks. Interview clarified which personnel were designated as key personnel. Very good references.
2	87	M. Arthur Gensler, Jr. & Associates, Los Angeles, California	Cornerstone Solutions, Inc. Cumming Management Group, Inc. Group Delta Consultants, Inc. Horton Lees Brogden Lighting Design, Inc. Jensen Hughes, Inc. Kittleson & Associates, Inc. KPFF, Inc. PBS Engineers, Inc.	Second-ranked proposal. Recent and relevant experience as a prime consultant for similar transit facility projects. Prime consultant is a multi-disciplined firm. Proposed personnel are experienced and well qualified. Work plan demonstrated the firm's approach to thoroughly assessing project needs and designing for usability for all users and sustainability. Interview clarified the key role each proposed key personnel played on cited projects. Very good references.
3	85	Anil Verma Associates, Inc. Los Angeles, California	Coffman Engineers, Inc. ENGEO RSE Corporation Systra Consulting, Inc.	Third-ranked proposal. Recent and relevant experience as a prime consultant for similar transit facility projects. Prime consultant is a multi-disciplined firm. Proposed personnel are experienced and well qualified. Work plan included the personnel responsible for each activity. Interview clarified that the prime consultant was the prime consultant on all cited projects. Very good references.
4	83	STV Incorporated Irvine, California	Coast Surveying, Inc. Diaz Yourman & Associates Jacobus & Yuang, Inc.	Fourth-ranked proposal. Relevant experience as a prime consultant with transit facility projects with other transit agencies and previously for OCTA. Prime consultant is a multi-disciplined firm. Proposed retaining some of the same personnel with experience on OCTA projects, all of whom are experienced and well qualified. Workplan emphasized understanding the project needs as the first step to completing each project. Interview clarified which personnel were proposed as key personnel. Firm provided services to OCTA on the previous on-call A&E facility design project agreement. Very good references.
5	81	Dahl, Taylor and Associates, Inc. Santa Ana, California	House of Engineers, Inc. Huitt-Zollars, Inc. Lynn Capouya, Inc. Stern Architects, Inc.	Fifth-ranked proposal. Recent and relevant experience as prime consultant with transit facility projects at OCTA and other public agency projects. Prime consultant is a multi-disciplined firm. Proposed retaining the same project manager and many other supporting personnel from the current agreement who are experienced and well qualified. Workplan included quality control plan with multiple levels of review and involves the principal. Detailed responses to interview questions, including clarification of key personnel. Interview emphasized the firm's speed of responsiveness and attention to detail. Very good references.

Review of Proposals

RFP 4-2610 On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Presented to Transit Committee - May 8, 2025

7 proposals were received, 6 firms were interviewed, 6 firms are being recommended.

Overall Ranking	Overall Score	Firm & Location	Subcontractors	Evaluation Committee Comments
6	80	IDS Group, Inc. Irvine, California	Associated Soils Engineering, Inc. BOCA Group International, Inc. C Below Subsurface Imaging Group Delta Consultants, Inc. SCDS Consulting Design Veneklasen Associates, Inc.	Sixth-ranked proposal. Recent and relevant experience as a prime consultant with transit facility projects at OCTA and other transit agencies. Prime consultant is a multi-disciplined firm. Proposed retaining the same project manager and numerous other supporting personnel from the current agreement, all of whom are experienced and well qualified. Work plan addressed all required tasks and outlined potential corrective actions for issues that could delay the schedule. Interview clarified that the prime consultant was the prime consultant on all cited projects. Very good references.

Evaluation Panel (5 members)	**Evaluation Criteria**	**Weight Factors**
Contracts Administration and Materials Management (1)	Qualifications of the Firm	35 percent
Facilities Engineering (1)	Staffing and Project Organization	40 percent
Health, Safety, and Environmental Compliance (1)	Work Plan	25 percent
Capital Project Delivery (1)		
Maintenance-Administration (1)		

ATTACHMENT B

PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed)
RFP 4-2610 On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Stantec Architecture Inc.							
Evaluator Number	1	2	3	4	5	Weights	Criteria Score
Qualifications of Firm	4.5	4.5	4.5	4.5	5.0	7	32.2
Staffing/Project Organization	4.5	4.5	4.5	4.5	4.5	8	36.0
Work Plan	4.5	4.5	4.5	4.5	4.5	5	22.5
Overall Score	90	90	90	90	94		91

M. Arthur Gensler, Jr. & Associates, Inc.							
Evaluator Number	1	2	3	4	5	Weights	Criteria Score
Qualifications of Firm	4.5	4.5	4.5	4.5	4.5	7	31.5
Staffing/Project Organization	4.0	4.5	4.5	4.0	4.5	8	34.4
Work Plan	4.5	4.0	4.0	4.5	4.5	5	21.5
Overall Score	86	88	88	86	90		87

Anil Verma Associates, Inc.							
Evaluator Number	1	2	3	4	5	Weights	Criteria Score
Qualifications of Firm	4.5	4.5	4.5	4.0	4.5	7	30.8
Staffing/Project Organization	4.5	4.0	4.0	4.5	4.5	8	34.4
Work Plan	4.0	4.0	4.0	4.0	4.0	5	20.0
Overall Score	88	84	84	84	88		85

STV Incorporated							
Evaluator Number	1	2	3	4	5	Weights	Criteria Score
Qualifications of Firm	4.5	4.0	4.0	4.5	4.5	7	30.1
Staffing/Project Organization	4.0	4.5	4.5	4.0	4.0	8	33.6
Work Plan	3.5	4.0	4.0	4.0	3.5	5	19.0
Overall Score	81	84	84	84	81		83

Dahl, Taylor and Associates, Inc.							
Evaluator Number	1	2	3	4	5	Weights	Criteria Score
Qualifications of Firm	4.5	4.0	4.0	4.0	4.5	7	29.4
Staffing/Project Organization	4.0	4.0	4.0	4.0	4.5	8	32.8
Work Plan	4.0	4.0	4.0	3.5	3.5	5	19.0
Overall Score	84	80	80	78	85		81

IDS Group, Inc.							
Evaluator Number	1	2	3	4	5	Weights	Criteria Score
Qualifications of Firm	4.0	4.0	4.0	4.0	4.5	7	28.7
Staffing/Project Organization	4.0	4.0	4.0	4.0	4.0	8	32.0
Work Plan	4.0	3.5	3.5	4.0	4.0	5	19.0
Overall Score	80	78	78	80	84		80

The score for the non-short-listed firm was 65.

ATTACHMENT C

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 4-2610: On-call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
STANTEC ARCHITECTURE INC.						
Contract Type: Contract Task Order	A53595	Replacement of Mechanical Units at Santa Ana Bus Base	March 20, 2023	August 31, 2025		$ 412,085
Subconsultants:						
Jacobus & Yuang, Inc.					$ 20,246	
Contract Type: Time and Expense	C-2-3003	405 Express Lanes Traffic and Revenue Analysis	April 19, 2023	March 31, 2026		$ 300,000
Subconsultants:						
AimTD, LLC						
Tippecanoe Works						
Transportation Studies, Inc.						
Wiltec, Inc.						
Contract Type: Contract Task Order	A48539	Building Repairs at Irvine Construction Circle Bus Base	August 16, 2021	July 31, 2023		$ 87,157
Subconsultants:						
Jacobus & Yuang, Inc.					$ 10,866	
Contract Type: Firm Fixed Price	C-9-0965	Design Services for Orange County Transportation Authority Transit Security and Operations Center	June 1, 2020	December 31, 2027		$ 5,893,495
Subconsultants:						
Coast Surveying, Inc.					$ 22,521	
Diaz Yourman & Associates					$ 238,575	
Fuel Solutions, Inc.					$ 16,248	
Jacobus & Yuang, Inc.					$ 108,941	
Lynn Capouya, Inc.					$ 104,361	
Miyamoto International, Inc.					$ 331,642	
PacRim Engineering, Inc.					$ 781,950	
Stantec Consulting Services, Inc.					$ 2,144,193	
				Total		**$ 6,692,737**
M. ARTHUR GENSLER, JR. & ASSOCIATES						
Contract Type: Firm Fixed Price	C-3-2367	Newport Transportation Center Improvement Study	June 5, 2023	December 31, 2024		$ 198,704
Subconsultants:						
KPJ Consulting					$ 8,300	
Kittelson & Associates, Inc.					$ 53,840	
Contract Type: Firm Fixed Price	C-3-3003	Fullerton Park-and-Ride Joint Use Master Plan	May 30, 2024	January 31, 2026		$ 474,575
Subconsultants:						
De Novo Planning Group					$ 43,050	
Kittelson & Associates, Inc.					$ 14,000	
KPJ Consulting					$ 72,850	
				Total		**$ 673,279**
ANIL VERMA ASSOCIATES, INC.						
Contract Type:	None					N/A
Subconsultants:						
				Total		**$0**

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 4-2610: On-call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
STV INCORPORATED						
Contract Type: Firm Fixed Price	C-2-2657	Regional Rail Planning Inventory	August 16, 2022	May 31, 2023		$ 49,990
Subconsultants:						
None						
				Total		**$ 49,990**
DAHL, TAYLOR & ASSOCIATES, INC.						
Contract Type: Contract Task Order	A47554	Replacement of Fire Alarm Control Panels at Santa Ana Bus Base	April 30, 2021	November 30, 2025		$ 133,366
Subconsultants:						
None						
Contract Type: Contract Task Order	A52846	Metered (Southern California Edison) Electrical Switchgear and Standby Generator for Electric Vehicle Chargers at Garden Grove and Santa Ana Bus Bases	November 2, 2022	November 30, 2025		$ 484,003
Subconsultants:						
None						
Contract Type: Contract Task Order	A57720	Preliminary Project Documents and Estimate for Design-Build Hydrogen Storage and Fueling Facilities at Garden Grove Bus Base	June 12, 2024	June 12, 2024		$ 539,111
Subconsultants:						
Huitt-Zollars, Inc.					$ 14,816	
NMG Geotechnical, Inc.					$ 36,700	
				Total		**$ 1,156,480**
IDS GROUP, INC.						
Contract Type: Contract Task Order	A52472	Building Repairs at Santa Ana Bus Base	November 21, 2022	November 3, 2025		$ 160,343
Subconsultants:						
Group Delta Consultants, Inc.					$ 60,553	
Contract Type: Contract Task Order	A49176	Environmental Studies in Support of Interstate 5 and State Route 55	December 3, 2021	September 30, 2023		$ 193,715
Subconsultants:						
Group Delta Consultants, Inc.					$ 161,715	
				Total		**$ 354,058**

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Amendment to Agreement for Marketing Print Services

Legislative and Communications Committee Meeting of May 15, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and Wagner
Absent: Director Jung

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2288 between the Orange County Transportation Authority and PGI-Pacific Graphics, Inc., to exercise the first option term, in the amount of $230,000, to continue providing marketing print services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $555,000.

May 15, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Marketing Print Services

Overview

On June 27, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with PGI-Pacific Graphics, Inc. to provide marketing print services for a three-year initial term with two, two-year option terms. Board of Directors' approval is requested to exercise the first option term effective July 1, 2025 through June 30, 2027.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2288 between the Orange County Transportation Authority and PGI-Pacific Graphics, Inc. to exercise the first option term, in the amount of $230,000, to continue providing marketing print services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $555,000.

Discussion

The Orange County Transportation Authority (OCTA) develops and implements transportation programs designed to reduce traffic congestion and improve air quality, in addition to funding and operating transit services. OCTA reaches out to Orange County residents and current bus customers with a variety of printed materials throughout the year to provide information and updates about OCTA's services and programs.

OCTA maintains an in-house printing facility that can accommodate short-run, four-color printed pieces up to a 13"x18" paper size. Occasionally the in-house printing facility cannot accommodate the workload or printing requirements needed, and these jobs are sent to an outside printer on an as-needed basis. Many direct mail campaigns are developed that require them to be sorted according to the United States Postal Service requirements prior to sending them

to the post office; therefore, an outside firm is needed to perform this task. Due to the limitations of the in-house printing facility, an outside printing and mail house fulfillment firm is needed to assist with higher volumes of printed materials to Orange County residents and OCTA customers.

PGI-Pacific Graphics, Inc. (PGI) currently provides the marketing print services that support OCTA marketing and communications programs under an agreement that is set to expire on June 30, 2025. In order to continue to provide these services, an amendment is required to exercise the first option term with PGI.

Procurement Approach

The original procurement was handled in accordance with OCTA's Board of Directors' (Board)-approved policies and procedures for professional and technical services. On June 27, 2022, the Board approved the award of the agreement with PGI to provide marketing print services. The original agreement was awarded on a competitive basis and includes a three-year initial term in the amount of $325,000 and two, two-year option terms.

The proposed Amendment No. 1 is to exercise the first option term through June 30, 2027, which will allow PGI to continue providing marketing print services. The budget for this amendment is $230,000, which is based on current and anticipated usage for marketing print services. In accordance with the current agreement, the first option term rates for firm-fixed unit prices will remain the same as was originally negotiated. Exercising the option term will allow PGI to continue providing marketing print services through June 30, 2027.

Fiscal Impact

The project will be included in OCTA's Proposed Fiscal Year 2025-26 Budget, pending budget approval, People and Community Engagement Division, account nos. 1831-7519-A0001-PKW, 1837-7519-A3311-CRB, 1837-7519-A3311-1GI, 1837-7631-EA710-TQA, and 2147-7519-D4302-17V.

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2288 between the Orange County Transportation Authority and PGI-Pacific Graphics, Inc., to exercise the first option term, in the amount of $230,000, to continue providing marketing print services effective July 1, 2025 through

June 30, 2027. This amendment will increase the maximum obligation of the agreement to a total contract value of $555,000.

Attachment

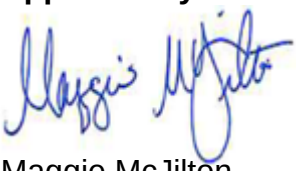
A. PGI-Pacific Graphics, Inc., Agreement No. C-2-2288 Fact Sheet

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Approved by:



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ATTACHMENT A

PGI-Pacific Graphics, Inc.
Agreement No. C-2-2288 Fact Sheet

1. June 27, 2022, Agreement No. C-2-2288, $325,000, for a three-year initial term with two, two-year option terms approved by the Board of Directors (Board).

   - PGI-Pacific Graphics, Inc. to provide marketing print services.

   - Three-year initial term effective July 1, 2022 through June 30, 2025, with two, two-year option terms.

2. May 27, 2025, Amendment No. 1 to Agreement No. C-2-2288, $230,000, pending approval by the Board.

   - Exercise the first option term of the agreement effective July 1, 2025 through June 30, 2027.

Total committed to PGI-Pacific Graphics, Inc., under Agreement No. C-2-2288: $555,000.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Amendment to Agreement for Public Information Marketing Program Services

Legislative and Communications Committee Meeting of May 15, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and Wagner
Absent: Director Jung

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-2-2313 between the Orange County Transportation Authority and Klein and Klein, Inc., to exercise the first option term, in the amount of $350,000, to continue providing public information marketing program services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $731,000.

May 15, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Public Information Marketing Program Services

Overview

On July 25, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with Klein and Klein, Inc. to provide public information marketing program services for a three-year initial term with two, two-year option terms. Board of Directors' approval is requested to exercise the first option term effective July 1, 2025 through June 30, 2027.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-2-2313 between the Orange County Transportation Authority and Klein and Klein, Inc. to exercise the first option term, in the amount of $350,000, to continue providing public information marketing program services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $731,000.

Discussion

The Orange County Transportation Authority (OCTA) provides countywide bus service to an area covering approximately 752 square miles. Service includes local fixed-route, paratransit service, community routes, OC Bus Rapid, and Stationlink Metrolink rail feeder service. It is crucial to keep the public informed of transit services and to provide general, baseline communications to current and potential new OC Bus riders to help them navigate OCTA's bus system.

Ongoing customer education programs are necessary to provide awareness of services provided by OCTA to enhance and create a positive perception of the bus riding experience, as well as help identify efficiencies in bus operations and reduce potential costs associated with managing the customer call center. Public

information programs include general communications such as how to ride the bus, where to buy bus passes, information on OC ACCESS, changes to upcoming service changes, and awareness of the benefits of using smart cards and the mobile app.

To assist with the development and implementation of these general and baseline communications for OC Bus services, OCTA requires consultant support to provide various professional services to develop effective communication materials and tactics, including print and digital creative development, copywriting, design, and photography.

Klein and Klein, Inc. (Klein) is currently providing graphic design and production services in support of marketing and customer communications for bus and OCTA programs under an agreement that is set to expire on June 30, 2025. In order to continue to provide these services, an amendment is required to exercise the first option term with Klein.

Procurement Approach

The original procurement was handled in accordance with OCTA's Board of Directors' (Board)-approved policies and procedures for professional and technical services. On July 25, 2022, the Board approved the award of the agreement with Klein to provide public information marketing program services. The original agreement was awarded on a competitive basis and includes a three-year initial term in the amount of $381,000 and two, two-year option terms. This agreement has been previously amended as shown in Attachment A.

The proposed Amendment No. 3 is to exercise the first option term through June 30, 2027, which will allow Klein to continue providing public information marketing program services. The budget for this amendment is $350,000, which is based on current and anticipated usage for public information marketing program services. An hourly rate escalation was negotiated in the original contract. However, staff from the Contracts Administration and Materials Management Department were able to negotiate with Klein to hold the initial term rates for the first year of the two-year first option term, resulting in an approximate cost savings of $10,983. The first option term rates will remain the same as was originally negotiated for the second year of the first option term. Exercising the first option term will allow Klein to continue providing public information marketing program services through June 30, 2027.

Fiscal Impact

This project will be included in OCTA's Proposed Fiscal Year 2025-26 Budget, pending Board approval, People and Community Engagement Division, account nos. 1831-7519-A0001-PKW, 1837-7519-A3311-CRB, 1837-7519-A3311-1GI, 1837-7631-EA710-TQA, and 2147-7519-D4302-17V.

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-2-2313 between the Orange County Transportation Authority and Klein and Klein, Inc., to exercise the first option term, in the amount of $350,000, effective July 1, 2025 through June 30, 2027, to continue providing public information marketing program services. This amendment will increase the maximum obligation of the agreement to a total contract value of $731,000.

Attachment

A. Klein and Klein, Inc., Agreement No. C-2-2313 Fact Sheet

Prepared by:

Jennifer O'Connor
Marketing Specialist, Principal
(714) 560-5369

Approved by:

Maggie McJilton
Executive Director,
People and Community Engagement
(714) 560-5824

Pia Veesapen
Director, Contracts Administration and
Materials Management
(714) 560-5619

ATTACHMENT A

Klein and Klein, Inc.
Agreement No. C-2-2313 Fact Sheet

1. July 25, 2022, Agreement No. C-2-2313, $381,000, for a three-year initial term with two, two-year option terms approved by the Board of Directors (Board).

    - Klein and Klein, Inc. to provide public information marketing program services.

    - Three-year initial term effective August 15, 2022 through June 30, 2025, with two, two-year option terms.

2. December 19, 2023, Amendment No. 1 to Agreement No. C-2-2313, $0.00, approved by the Contracts Administration and Materials Management Department (CAMM).

    - Revise subcontractor.

3. September 19, 2024, Amendment No. 2 to Agreement No. C-2-2313, $0.00, approved by CAMM.

    - Revise subcontractor.

4. May 27, 2025, Amendment No. 3 to Agreement No. C-2-2313, $350,000, pending approval by the Board.

    - Exercise the first option term of the agreement effective July 1, 2025 through June 30, 2027.

Total committed to Klein and Klein, Inc., under Agreement No. C-2-2313: $731,000.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Amendment to Agreement for Bus Murral Application Services

Legislative and Communications Committee Meeting of May 15, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and Wagner
Absent: Director Jung

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2317 between the Orange County Transportation Authority and JG Images, Inc., to exercise the first option term, in the amount of $260,000, to continue providing bus mural application services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $610,000.

May 15, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Bus Mural Application Services

Overview

On July 25, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with JG Images, Inc. to provide bus mural application services for a three-year initial term with two, two-year option terms. Board of Directors' approval is requested to exercise the first option term effective July 1, 2025 through June 30, 2027.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2317 between the Orange County Transportation Authority and JG Images, Inc., to exercise the first option term, in the amount of $260,000, to continue providing bus mural application services, effective July 1, 2025 through June 30, 2027. This will increase the maximum obligation of the agreement to a total contract value of $610,000.

Discussion

The Orange County Transportation Authority (OCTA) provides countywide bus service to an area covering approximately 752 square miles. Service includes local fixed-route, paratransit service, community routes, OC Bus Rapid, and Stationlink Metrolink rail feeder service. OCTA promotes OC Bus service to Orange County residents and current customers with various communications and marketing campaigns throughout the year, which requires bus interior and exterior advertisement printing and installation. OCTA requires an outside firm to provide these services, as they cannot be performed in-house.

JG Images, Inc. (JG Images) currently provides the printing of large format vinyl prints, installation of prints at each of the four OCTA bus bases, and removal of all advertisements at the end of the campaign under an agreement that is set to

expire on June 30, 2025. In order to continue to provide these services, an amendment is required to exercise the first option term with JG Images.

Procurement Approach

The original procurement was handled in accordance with OCTA's Board of Directors' (Board)-approved policies and procedures for professional and technical services. On July 25, 2022, the Board approved the award of agreement with JG Images to provide bus mural application services. The original agreement was awarded on a competitive basis and includes a three-year initial term in the amount of $350,000 and two, two-year option terms.

The proposed Amendment No. 1 is to exercise the first option term through June 30, 2027, which will allow JG Images to continue to provide bus mural application services. The budget for this amendment is $260,000, which is based on current and anticipated usage for bus mural application services. In accordance with the current agreement, the option term rates will remain the same as was originally negotiated. Exercising the first option term will allow JG Images to continue providing bus mural application services through June 30, 2027.

Fiscal Impact

The project will be included in OCTA's Proposed Fiscal Year 2025-26 Budget, pending Board approval, People and Community Engagement Division, account nos. 1837-7519-A3311-CRB, 1837-7519-A3311-1GI, and 1837-7631-EA710-TQA.

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-2-2317 between the Orange County Transportation Authority and JG Images, Inc., to exercise the first option term in the amount of $260,000, to continue providing bus mural application services effective July 1, 2025 through June 30, 2027. This amendment will increase the maximum obligation of the agreement to a total contract value of $610,000.

Attachment

A. JG Images, Inc., Agreement No. C-2-2317 Fact Sheet

Prepared by:

Jennifer O'Connor
Marketing Specialist, Principal
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Approved by:

Maggie McJilton
Executive Director,
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Pia Veesapen
Director, Contracts Administration and
Materials Management
(714) 560-5619

ATTACHMENT A

JG Images, Inc.
Agreement No. C-2-2317 Fact Sheet

1. July 25, 2022, Agreement No. C-2-2317, $350,000, for a three-year initial term with two, two-year option terms approved by the Board of Directors (Board).

    - JG Images, Inc. to provide bus mural application services.

    - Three-year initial term effective August 15, 2022 through June 30, 2025, with two, two-year option terms.

2. May 27, 2025, Amendment No. 1 to Agreement No. C-2-2317, $260,000, pending approval by the Board.

    - Exercise the first option term of the agreement effective July 1, 2025 through June 30, 2027.

Total committed to JG Images, Inc., under Agreement No. C-2-2317: $610,000.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Amendment to Agreement for On-Call Commercial Real Estate Brokerage Services

Finance and Administration Committee Meeting of May 14, 2025

Present: Directors Federico, Go, Harper, Hennessey, Leon, and Tettemer
Absent: Director Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-0-2160 between the Orange County Transportation Authority and CBRE, Inc., in the amount of $268,000, for additional on-call commercial real estate brokerage leasing services and extend the term of the agreement for an additional six months through March 31, 2026. This will increase the maximum cumulative obligation of the agreement to a total contract value of $318,000 for leasing services.

OCTA

May 14, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for On-Call Commercial Real Estate Brokerage Services

Overview

On August 24, 2020, the Orange County Transportation Authority Board of Directors approved an agreement with CBRE, Inc. for on-call commercial real estate brokerage services for leasing and disposing of anticipated excess land owned by the Orange County Transportation Authority. An amendment to the existing agreement is requested for continued on-call commercial real estate brokerage services for an additional six months.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-0-2160 between the Orange County Transportation Authority and CBRE, Inc., in the amount of $268,000, for additional on-call commercial real estate brokerage leasing services and extend the term of the agreement for an additional six months through March 31, 2026. This will increase the maximum cumulative obligation of the agreement to a total contract value of $318,000 for leasing services.

Discussion

The Orange County Transportation Authority (OCTA) owns various parcels of improved and vacant land in its existing property inventory or acquired as part of capital improvement projects. OCTA utilizes a commercial real estate brokerage consultant to provide real estate brokerage services to lease and/or dispose of the surplus land, to investigate real estate market conditions in the event OCTA needs to acquire real property on a voluntary basis only, and to service various parcels that include commercial, retail, industrial, and office facilities that may require marketing and leasing services. The current contract for these services is set to expire on September 30, 2025, and needs to be extended to provide for current ongoing needs as described below.

Commercial real estate brokerage services include, but are not limited to, conducting market analysis, the leasing and sale of excess land and facilities, and conducting negotiations on behalf of OCTA with potential renters and buyers. Compensation for real estate brokerage services is based upon a commission rate applied to the gross sales price achieved for each separate lease agreement or parcel sale.

CBRE, Inc.'s (CBRE) services are paid through escrow accounts linked to individual sales of excess land in an amount not to exceed $1.75 million. Additionally, CBRE is paid a commission for leasing service based on the revenue generated by each lease agreement. The agreement also allows OCTA to pay CBRE, in an amount not to exceed $50,000, for leasing services.

In August 2020, as part of eminent domain proceedings related to the Interstate 405 Improvement Project, OCTA acquired the California Department of Transportation airspace lease located at 16595 Magnolia Street (Magnolia) in the City of Westminster. The airspace lease includes an approximately 23,000 square-foot retail building which could not be accessed during construction. CBRE is responsible for marketing and leasing the site to retail businesses to generate income to offset the acquisition cost of the airspace lease. The leasing effort required for this property is now estimated to increase by $268,000.

Between April 2019 and June 2022, OCTA also acquired three parcels as part of the Interstate 5 (I-5) Improvement Project between El Toro Road and State Route 73 (SR-73). The project is nearing completion, and the remnants of these vacant properties are no longer needed. In June 2025, OCTA staff will seek the Board of Directors' (Board) approval to declare the remnant parcels as surplus land and to dispose of the parcels in accordance with the Surplus Land Act. The disposal of surplus land historically takes about nine months to complete once the Board approves the process.

The current CBRE agreement option term expires on September 30, 2025. The agreement is recommended to be extended through March 31, 2026, to allow CBRE to continue to provide real estate brokerage services related specifically to the Magnolia property and to also allow for the marketing, sale negotiations, and escrow process to be completed for the disposal of surplus land related to the I-5 Improvement Project between El Toro Road and SR-73. Staff is also developing a new request for proposals to solicit a new on-call commercial real estate brokerage services agreement to be in place before the end of March 2026. The planned new agreement scope of work will include other potential future surplus land sales, leasing services for the Magnolia air space lease building, and potential real estate brokerage services for the new OCTA headquarters building located at 2651 and 2677 N. Main Street, Santa Ana.

Procurement Approach

The original procurement was handled in accordance with the OCTA Board-approved procedures for professional and technical services. On August 24, 2020, the Board approved an agreement with CBRE for an initial three-year term, with a two-year option term with funding through the proceeds received from the lease and sales revenue and $50,000 for work done, as needed, on a time and expense basis. This agreement has been previously amended as shown in Attachment A.

CBRE's commission is based on a tiered structure that determines the reimbursement amount from proceeds of negotiated leases or proceeds generated from the sale of surplus property (Attachment B). The same commission schedule will continue to be in effect under the proposed amendment.

Proposed Amendment No. 2 to Agreement No. C-0-2160, in the amount of $268,000, will bring the total contract value for leasing services to $318,000, and extend the term of agreement by six months through March 31, 2026, allowing for continued on-call commercial real estate brokerage services.

Fiscal Impact

Funding for the leasing services in this contract extension is not included in OCTA's Proposed Fiscal Year 2025-26 Budget, Capital Programs Division. The funds for payment for this procurement will be deducted from the proceeds received from the lease revenue and sales revenue of the specific program related to each OCTA-owned parcel and/or facility.

Summary

Staff requests Board of Directors' authorization for the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-0-2160 between the Orange County Transportation Authority and CBRE, Inc., in the amount of $268,000, for additional on-call commercial real estate brokerage services and extend the term of the agreement for an additional six months through March 31, 2026.

Attachments

A. CBRE, Inc. Agreement No. C-0-2160 Fact Sheet
B. Commission Rate Schedule

Prepared by:

Joe Gallardo
Department Manager
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Pia Veesapen
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(714) 560-5619

Approved by:

James G. Beil, P.E.
Executive Director, Capital Programs
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ATTACHMENT A

CBRE, Inc.
Agreement No. C-0-2160 Fact Sheet

1. August 24, 2020, Agreement No. C-0-2160, in the amount of $50,000, approved by the Board of Directors (Board).

    - The agreement was executed on October 1, 2020, to provide on-call commercial real estate brokerage services for a three-year initial term with a two-year option term at a specified commission structure.

2. July 24, 2023, Amendment No. 1 to Agreement No. C-0-2160, $0, approved by the Contracts Administration and Materials Management Department.

    - Exercise the two-year option term to extend the agreement through September 30, 2025, at a specified commission structure to provide continued on-call real estate brokerage services.

3. May 27, 2025, Amendment No. 2 to Agreement No. C-0-2160, $268,000, pending approval by the Board.

    - Increase the maximum obligation for continued on-call real estate brokerage services in the amount of $268,000 and extend the term of the agreement for six months through March 31, 2026.

Total funds committed to CBRE, Inc. after approval of Amendment No. 2 to Agreement No. C-0-2160: $318,000

ATTACHMENT B

Commission Rate Schedule

As per Agreement No. C-0-2160, Consultant will be reimbursed using the following fee structure. Commissions will be deducted from the total gross sales price or lease of the property. Consultant will be paid by and through escrow on sale transactions.

Commission For Sale of Property(ies)

Consultant's commission on individual properties or single transactions involving multiple properties shall be calculated on the total sales price of the property(ies) as follows when the buyer is represented by a broker who is not Key Personnel as set forth in the Agreement:

- First, $3 million @ 6%
- Next, $2 million @ 5%
- Any amount over $5 million @ 5%

On individual properties or single transactions involving multiple properties, when the buyer is either not represented by any broker, or is represented by Key Personnel, Consultant's commission shall be calculated on the total sales price of the property(ies) as follows:

- First, $3 million @ 4%
- Next, $2 million @ 3%
- Any amount over $5 million @ 3%

Commission For Leased Property(ies)

Consultant's commission on a Gross Lease shall be:

- 6% of the total base rent actually paid by tenant during the first 60 months;
- 2.5% of the total base rent actually paid by tenant for the next 60 months;
- 1.5% of the total base rent actually paid by tenant for any period after 120 months.

Consultant's commission on a Net Lease shall be:

- 6% of the total base rent actually paid by tenant during the first 60 months;
- 3.5% of the total base rent actually paid by tenant for the next 60 months;
- 2.5% of the total base rent actually paid by tenant for any period after 120 months.

Fee For Marketing Services

If Consultant is asked to provide various marketing services to OCTA for properties that are not yet available for sale or lease, Consultant shall invoice OCTA at the fully burdened rate of $300.00 per hour. If at some point the Consultant is asked to sell or lease said property, those fees charged for prior marketing services which are related to such sold or leased property, will be deducted from Consultant's commission fee. Consultant's invoices shall be submitted in a manner which clearly evidence to which property marketing services are attributable.

COMMITTEE TRANSMITTAL

May 27, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Proposed New Fare Media

Transit Committee Meeting of May 8, 2025

Present: Directors Amezcua, Jung, Klopfenstein, Leon, Janet Nguyen, Tam T. Nguyen, and Sarmiento
Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Receive and file the final Public Involvement Plan Report.

B. Direct staff to implement the new fare media with the launch of the Rider Validation system.

May 8, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Proposed New Fare Media

Overview

The Orange County Transportation Authority is proposing new fare media as part of the implementation of the new Rider Validation System scheduled for rollout in October 2025. The proposed fare media, branded as the Wave card, is a contactless smart card that would replace legacy magnetic stripe passes and broaden access to features such as fare capping, contactless payments, and free two-hour transfers. In order to implement the new fare media, the Orange County Transportation Authority must conduct outreach and a Title VI analysis to ensure that low income and minority riders are not negatively impacted by the proposed fare media. The required outreach and Title VI analysis has been completed, and staff is recommending approval of the new proposed fare media.

Recommendations

A. Receive and file the final Public Involvement Plan Report.

B. Direct staff to implement the new fare media with the launch of the Rider Validation System.

Background

Orange County Transportation Authority (OCTA) has been actively working to modernize its fare collection methods making it easier for rider to use the OC Bus system and allowing more flexibility in fare policies. In 2018, OCTA took a major step towards this modernization effort by installing mobile ticketing validators across its fixed-route bus fleet, enabling mobile ticket validation and laying the groundwork for further advancements. This initial investment set the stage for the development of the Rider Validation System (RVS), which aims to significantly improve the fare payment experience, enhance rider validation, and offer greater flexibility in fare policy.

The OCTA Board of Directors (Board) approved a contract with Innovations in Transportation (INIT) on October 23, 2023, to allow implementation of the RVS to modernize the existing fare collection methods with a more equitable and adaptable system that includes features like fare capping, mobile payment options, and open payments. On November 25, 2024, the Board approved amendments to OCTA's Fare Policy including the implementation of fare capping and a free two-hour transfer period. A proposed new fare media, which facilitates these fare policy changes and allows for overall greater flexibility for other fare payment options, was presented to the Board in January 2025. The public outreach process required to introduce the new fare media began following Board approval on January 13, 2025, and concluded with a public hearing on March 24, 2025.

Discussion

The new RVS will greatly improve the rider experience by introducing smart cards which are plastic cards embedded with a chip. Unlike the current paper passes with magnetic stripes, smart cards are more durable and offer several added benefits. Smart cards will allow riders to store fare value in an online account linked to the card, enabling features like automatic fare loading, balance protection in case the card is lost, fare capping, and account management through an online portal. Additionally, riders will have the option to use virtual smart cards within the new mobile application on their smartphones, making it even easier to pay for rides without needing a physical card.

To ensure accessibility, OCTA will continue to offer cash and credit card payment options for fare purchases and reloads, available on a wide retail network. This retail network, expanded as part of the RVS, will include OCTA-branded smart cards sold alongside popular gift cards like Amazon and Starbucks, making fare media more accessible to all riders, including those without bank accounts. In addition, OCTA-branded smart cards will be available for purchase at the OCTA store and online from the OCTA website.

Public Involvement Plan (PIP)

In accordance with the Federal Transit Administration (FTA) Title VI guidelines, any significant change to fare media must be preceded by a PIP featuring proactive community outreach and a formal public hearing to ensure that low income and minority riders are not negatively impacted by the proposed fare media before Board approval. On January 13, 2025, the Board directed staff to launch a ten-week, multilingual outreach campaign – culminating in a public hearing on March 24, 2025 – to meet these requirements. The PIP utilized a multifaceted outreach strategy to maximize awareness and solicit feedback across diverse populations before the Board considers adoption of the new fare media. The outreach demonstrated widespread awareness and strong support for the new fare media, with 83 percent of survey respondents expressing approval.

Further information regarding the outreach methods and results can be found in the final Proposed New Fare Media PIP Report under Attachment A.

Title VI Fare Equity Analysis Synopsis

To comply with FTA Circular 4702.1B and Title VI of the Civil Rights Act of 1964, OCTA conducted a comprehensive Fare Equity Analysis for the RVS. This evaluation examined the proposed fare media changes including the introduction of the Wave card, implementation of fare capping, new two-hour transfer policy, and the expansion of a retail vendor network to assess their potential impacts on minority and low-income riders.

Key Findings

According to the 2024 Origin-Destination survey, 86.9 percent of OCTA riders are minorities and 94.5 percent are low-income. This significant representation underscores the need for policies that ensure fairness for these populations.

Elimination of Onboard Day Passes: The removal of magnetic stripe day pass sales onboard buses was identified as a potential adverse impact. However, since the burden borne by minority and low-income riders (87 percent and 97.4 percent, respectively) was proportionate to their overall share of ridership, this change did not trigger a finding of disparate impact or disproportionate burden.

Fare Reductions and Capping: The reduction of the day pass price from $5.00 to $4.50 (and from $1.50 to $1.35 for reduced fare) benefits all rider categories equally. Fare capping allows for the accumulation of daily and monthly rides to certain limits, after which riders travel free. This structure benefits riders, particularly low-income users, who cannot afford upfront purchases of long-term passes. Analysis showed that these benefits accrue equitably across demographic groups.

Two-Hour Transfers: This policy offers additional financial relief, particularly for users of single-ride fares. Savings from this feature were consistent across minority and non-minority as well as low-income and non-low-income groups.

Retail Access: The expansion of the retail vendor network from 118 to 478 locations significantly improved access in minority and low-income populations. The percentage of locations in minority block groups rose from 47 percent to 57 percent, and in low-income block groups from 45 percent to 48 percent.

All proposed fare media changes under the RVS were found to comply with Title VI requirements. No element of the new fare system was shown to impose a disparate impact on minority riders or a disproportionate burden on low-income populations. OCTA's updated fare structure including smart cards, digital fare tools, and account-based features was designed to enhance accessibility,

streamline transactions, and ensure all riders pay the lowest possible fare. The analysis validates the fairness of this transition and provides data-driven justification for systemwide implementation.

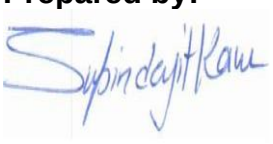
Summary

A comprehensive Public Involvement Plan supported the new Wave card fare media rollout, focusing on fairness and inclusion. The ten-week outreach campaign reached over 32,000 people and collected more than 8,000 surveys, showing strong support (83 percent) for the new fare media. A Title VI Fare Equity Analysis confirmed that the proposed changes including smart cards, fare capping, and expanded retail access benefit all riders equitably and do not disproportionately impact minority or low-income populations. OCTA staff recommends approval of the proposed fare media.

Attachment

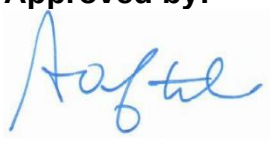
A. Proposed New Fare Media Public Involvement Plan

Prepared by:



Sam Kaur
Department Manager,
Revenue Administration
714-560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649

ATTACHMENT A

Proposed New Fare Media Public Involvement Plan

Final Outreach Report, May 2025



OCTA | OCBUS

Table of Contents

Introduction 1
Executive Summary 2
Background 4
Proposed New Fare Media 4
Title VI 4
Public Involvement Plan (PIP) 5
Public Information and Outreach Program 6
Tactics 6
What We Heard 10
Online and Print Survey 10
Methodology 10
Key Findings / Results 13
Public Comments 33
In-Person/Virtual Community Meetings 33
Public Comments — Email, Phone Calls, and Social Media 35
Community Events and Organizations 35
OCTA Advisory Committees 36
Meeting with Social Service Agencies 38
Public Hearing 38
Next Steps 39
Appendix 40
A. Survey Question by Question Summary 40
B. Brochure / survey instrument 49
C. Survey comments feedback for Proposed New Fare Media 50
D. Customer Comments from Community Meetings 50
E. Public Hearing Comments (March 24, 2025) 50
F. Customer Comments Received (Email, Phone, Social Media) 50
G. Customer Roundtable (March 4, 2025) 50
H. Social Service Agency Roundtable (March 18, 2025) 50
I. Citizen Advisory Committee Meeting (January 21, 2025) 51
J. Accessible Transit Advisory Committee Meeting (January 28, 2025) 51

Introduction

The proposed new fare media system is a new system that will modernize fare payments for OC Bus and other Orange County Transportation Authority (OCTA) transit services, including OC Streetcar. The new system includes the implementation of a new smart card ("Wave card"), a new mobile application (Wave mobile app), contactless payments (digital wallets), fare capping, and other features. The Federal Transit Administration (FTA) requires transit agencies to gather public feedback for any major changes to fare payments, which led to the OCTA implementing a Public Involvement Plan (PIP) for the proposed new fare media system in early 2025.

The OCTA Board of Directors (Board) directed OCTA staff to initiate the PIP on January 13, 2025. The plan included a ten-week comprehensive community outreach and public feedback campaign, with a multilingual online and print survey, community meetings, and other outreach opportunities. The PIP concluded on March 24, 2025, with a public hearing held during the Board meeting and a report on preliminary findings.

This final report summarizes the public feedback gathered from the survey, community meetings, and other outreach engagements from January 13 to March 24, 2025. Topics covered in this report include interest in the new fare media, potential usage of specific new fare media (including the Wave card), and positive feedback, concerns, and common questions about the proposed new fare media.

Executive Summary

The PIP was implemented to fulfill Title VI requirements by gathering public feedback when proposing new fare media. The PIP included extensive public outreach including a multilingual online and print survey, virtual and in-person community meetings, community outreach events, bus ride-alongs, social media, and email updates.

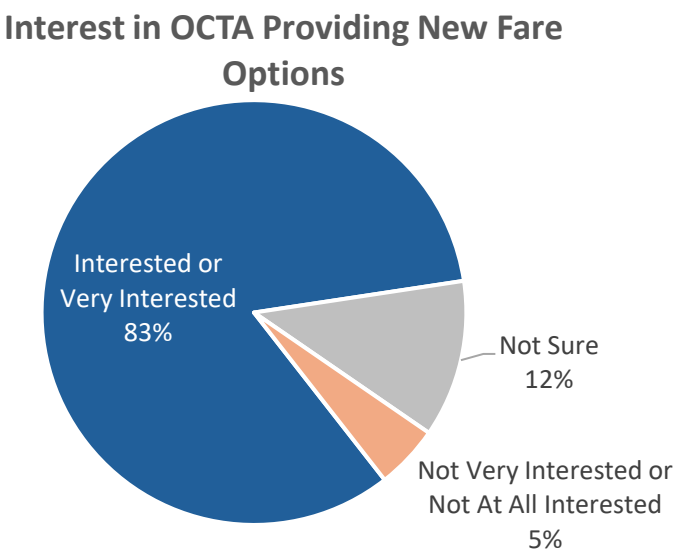
During the outreach period from January 13 to March 25, 2025, OCTA received many customer comments and public engagements about the proposed new fare media, including 8,256 online and print survey responses, 13,768 community event engagements, and 596 engagements at staff bus ride-alongs.

Several key themes have emerged during the PIP.

There Is High Interest in New Fare Options

More than 80 percent of respondents said they are interested or very interested in OCTA enhancing new fare options. A percentage of respondents said they are not sure (12 percent), and a small percentage do not show interest (five percent).

Feedback from open-ended comments, community meetings, and outreach events mentioned the flexibility of the new fare options and the environmental benefit of a reusable Wave card.



n = 6,570 respondents

The Wave card and the Wave Mobile App Attracted the Most Interest

Fare Option	% Responses
Wave card	30%
Wave Mobile App	27%
Cash	15%
Contactless payments	14%
Credit / Debit Card	13%

n = 13,587 responses from 6,309 unique respondents (multiple selections available)

Respondents indicated which future fare options they would use, with the Wave card (30 percent of responses) and the Wave mobile app (27 percent) being the most popular choices.

Interest in contactless payments, cash, and credit/debit cards was lower and more evenly distributed. Cash stood out due to mentions in open-ended comments and outreach feedback. All selected options are proposed to be available on OC Bus, with most options (aside from cash) planned for the future OC Streetcar service.

Due to rounding, some percentages may not add up to 100 percent.

Key Themes from Written Comments

In addition to the high interest in the proposed new fare media from the survey, some respondents composed open-ended responses that provided some additional context. Those comments covered the following themes:

- **Approximately 15 percent of open-ended comments showed support for the proposed new fare media. Positive responses** to the proposed new fare media **noted familiarity and/or experiences with similar systems from other agencies**, highlighted how the Wave card **added flexibility** to the fare system as a new fare option, and an **environmental benefit**.

- While there was not a significant amount of negative feedback (three percent of comments), there were some requests for **keeping cash as a fare option**, **continuing onboard day passes**, and **keeping discounted fares for senior, disabled, youth, and college riders**.

- Frequently asked questions from the feedback included **smart card interoperability with other transit agencies – such as OC Streetcar – and external transit agencies** and further clarification on fare capping and the **two-hour transfer period.**

Background

Proposed New Fare Media

The current OC Bus farebox system has been operating for over two decades. Historically, options for paying fares were limited to using cash onboard and magnetic stripe physical passes. A mobile app and mobile ticketing validators were implemented in 2018 as an initial step to modernizing the farebox system.

To keep up with modern public transportation trends and meet customers' needs, OCTA is exploring new fare media. The proposed new fare media aims to improve the fare payment experience, enhance rider validation, and offer greater fare flexibility. Included in this new system is a new functionality known as "fare capping," the contactless, reloadable Wave card, and a new Wave mobile app. All current fares, including specialty or discounted, will remain the same. The proposed new fare media will apply to OC Bus and the upcoming OC Streetcar.

Title VI

The FTA guidelines require transit agencies to evaluate new fare media implementations for potential impacts to people of minority and/or low-income populations. As part of this evaluation process, OCTA implemented a PIP that will gather community feedback about the upcoming changes to the fare media. There is also a requirement to conduct a Title VI equity analysis to ensure that the proposed new fare media will cause no disparate impacts, which is a separate study from the PIP and is not included in this document.

The PIP utilized a broad range of print and digital media, along with various outreach and communication methods, to reach a wide audience and gather feedback from the community, including individuals from low-income and minority communities, as well as those with limited English proficiency. The survey, website, and other communications channels provided information about the proposed new fare media in multiple languages. In-person and virtual opportunities for direct feedback were held at no cost, with interpreters available for non-English-speaking participants.

Public Involvement Plan (PIP)

The PIP was a multifaceted and extensive ten-week campaign from January 13 to March 24, 2025, that implemented broad community outreach. The outreach effort was equitable, inclusive, and accessible to the needs of diverse stakeholder populations and adhered to guidelines required to meet FTA public hearing and Title VI mandates. The campaign also gathered feedback about potential barriers or areas of confusion to help OCTA understand and address those concerns.

The Board approved an updated fare policy (that allowed for future fare capping and free two-hour transfers) on November 25, 2024. The Board then directed OCTA staff to start the PIP on January 13, 2025. The PIP concluded on March 24, 2025, with a public hearing. This final report details outreach tactics and what OCTA has heard about the proposed new fare media from the public, current and potential transit customers, and other stakeholders.

Public Information and Outreach Program

On January 13, 2025, the Board received the Proposed New Fare Media plan and directed staff to implement a public outreach program to solicit feedback.

The outreach program included a broad range of media and communication methods to reach a wide audience, provide information, solicit participation and input, and allow ongoing feedback and input. Outreach efforts were also made to diverse communities to ensure their feedback was gathered and addressed, which would meet the Title VI guidelines mandated by the FTA.

Tactics

The following tactics and activities have been completed in this phase. Unless noted, all communications were in English, Spanish, and Vietnamese.

Bus Advertisements and Collateral

- 50,000 multilingual brochures were distributed on all buses. Each brochure included a mail-back survey with pre-paid postage
- Interior bus cards (550 each language for a total of 1,650)

Print Advertisements

- Six newspaper ads, including OC Register, La Opinión, El Clasificado, Người Việt, Việt Báo, and Viet Dong

Digital Information

- Dedicated website with 53,647 visits from 32,294 users, including an online survey
- Email blasts regarding the proposed new fare media and in-person/virtual community meetings which reached 85,336 people
- “On the Move” e-Newsletter (English)
- “NextStop” e-Newsletter (English)
- Public information and ads on Facebook, Instagram, X, and Nextdoor
- OC Bus and Transit mobile app notification
- Digital stop signage alert

In-Person Rider Outreach

- Bus ride-alongs on 11 routes in core service areas matched real riders with multilingual outreach staff in English, Spanish, and Vietnamese.
- Five pop-up events at transportation centers, including the Santa Ana Regional Transit Center (SARTC) within the future OC Streetcar alignment, staffed with English/Spanish speaking staff.

School Outreach

Communications toolkits were provided to all 28 Orange County K-12 school districts and all nine community colleges to share with students, parents, and staff.

An email to K-12 school staff shared resources and encouraged sharing the proposed new fare media materials via parent communications, newsletters, and social media as well as with relevant groups, including parent teacher associations and district English learner advisory committees (DELAC).

The proposed new fare media was presented at a roundtable that invited all community colleges, which participate in OCTA's Community College Pass program. School representatives received a presentation of the proposed new fare media and were able to provide feedback on behalf of their respective constituencies.

Employer Outreach

Communications toolkits were sent to 178 Orange County large employers for distribution to their employees.

Community Events & Organizations

- Twenty-eight community and ethnic events, staffed with English, Spanish, and Vietnamese speaking staff.
- Communications to ethnic chambers of commerce, business organizations, and community organizations, including Wellness Centers via Santa Ana Unified School District, Santa Ana Active Streets, Costa Mesa Alliance for Better Streets, and local social service agencies.
- A presentation and discussion held at a Senior Mobility Program (SMP) roundtable of staff and representatives for the program from throughout Orange County.

In-person/Virtual Community Meetings

Several meetings took place in person and virtually where customers and the public had the opportunity to discuss the proposed new fare media and provide input. Spanish and Vietnamese interpreters were accessible as needed for attendees.

- February 4, 2025 - Virtual English Zoom Meeting
- February 5, 2025 - Virtual Spanish Zoom Meeting
- February 11, 2025 - Norman Hertzog Community Center (Costa Mesa)
- February 12, 2025 - Virtual Vietnamese Zoom Meeting
- February 12, 2025 - Laguna Hills Community Center
- February 13, 2025 - Fullerton Community Center
- February 20, 2025 - Santa Ana College

Local Jurisdiction Communication

The public information officers and communication staff from 34 cities and the County of Orange were notified of the service change information and were provided with a digital toolkit to disseminate information via city communication channels.

Public Comments – Email, Phone Calls, and Social Media

Public comments were collected from multiple channels, including phone calls to the Customer Information Center, emails, and social media comments to OCTA Customer Relations. Public social media discussion was also considered as a source of public comments.

Local News Media

A press release was issued to local media notifying the community about the proposed new fare media and PIP.

OCTA Advisory Committees

The proposed new fare media was presented at the following OCTA advisory committee meetings. Committee members received a presentation of the proposed new fare media and were able to provide feedback on behalf of their respective constituencies.

- January 21, 2025 - Citizen Advisory Committee Meeting
- January 28, 2025 - Accessible Transit Advisory Committee
- February 18, 2025 - Diverse Community Leaders Meeting
- February 18, 2025 - Teen Council

What We Heard

Following extensive public outreach, many comments have been received on the proposed new fare media through in-person and virtual community meetings, events, online, print surveys, email, and by phone. In addition to capturing public feedback using these channels, participants were provided an opportunity to complete a multi-lingual survey, either electronically or in print.

Channel	Count
Webpage Unique Visitors	32,294
Community Event Engagements	16,377
People Reached with Organic Social Media Messages	12,168
Online and Print Surveys	8,256
Onboard Ride-Along and Transit Center Engagements	709
In-person and Virtual Community Meeting Attendees	205
Customer Relations Calls, Emails, and Social Media	175
OCTA Public & Advisory Committees Attendees	70

Online and Print Survey

Methodology

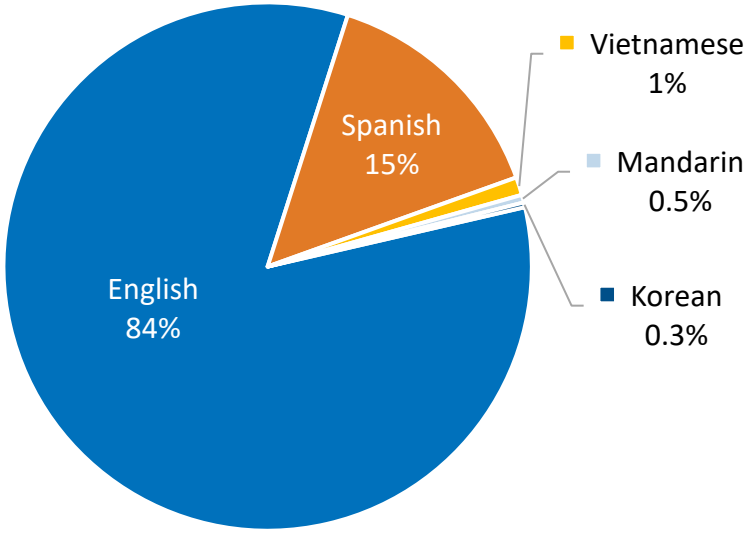
The online survey was released on January 13, 2025, and ended on March 24, 2025. A total of 8,256 surveys were collected over the course of the PIP.

The print surveys were distributed through brochures that include pre-paid postage for easy return, as well as printed surveys distributed at community outreach events for participants to complete and return on-site.

Both the online and print surveys were initially available in English, Spanish, and Vietnamese. Following the launch of the PIP, a request was made to offer surveys in Mandarin and Korean, which were implemented and incorporated into PIP efforts, including key outreach events. The survey was offered in multiple languages to guarantee a varied cross-section of Orange County transit riders, including at community engagements and diverse outreach events.

Approximately 84 percent of respondents completed the survey in English, 15 percent in Spanish, one percent in Vietnamese, less than one percent in Mandarin, and less than one percent in Korean. These are conservative estimates as the respondent language for the PIP was determined by two methods: the language respondents elected to take the survey in (online surveys) and the language used in open-ended comments (print surveys). It is possible that some respondents spoke a non-English language at home and elected to take the survey in English.

Respondent Language by Survey Completion



n = 8,256 respondents

The percentages for Vietnamese, Mandarin, and Korean are similar to the percentages for the same languages in a recent OC Bus customer satisfaction survey from the American Bus Benchmarking Group (ABBG) — one percent Vietnamese, two percent Mandarin, and less than one percent Korean. Although the ABBG survey was primarily an online survey and had a smaller sample size, the comparison to the ABBG survey shows that the PIP was consistent in collecting representative samples from populations with limited English proficiency.

The survey prioritized gathering feedback from current and former OC Bus riders, as well as those who are considering using OC Bus in the future. Additionally, respondents could indicate they were a non-rider who were not interested in using OC Bus in the future. These non-prospective riders were excluded from later analysis.

The resulting sample of current, former, or potential OC Bus riders included more than 6,900 respondents by the end of the PIP.

Trip Frequency	% Respondents
Daily	46%
Weekly	19%
Monthly	9%
Less than once a month	8%
I used to ride OC Bus, but haven't used it in the last six months	10%
I've never used OC Bus, but I may in the future	9%
Total Respondents	**6,951**

To determine if the PIP reached a representative sample of active OC Bus riders, respondents' trip frequencies (not including former and potential riders who completed the survey) were compared to the trip frequency distribution from the recent ABBG customer satisfaction survey. Both surveys have similar distributions.

Trip Frequency (Proposed New Fare Media PIP)	% Respondents	Trip Frequency (ABBG 2024)	% Respondents
Daily	56%	Very Often	54%
Weekly	23%	Often	27%
Monthly	11%	Sometimes	11%
Less than once a month	10%	Rarely or Very Rarely	8%
Total Respondents	**5,645**	**Total Respondents**	**1,118**

This suggests that the PIP obtained a good sample of bus riders that is reflective of the current ridership and consistent with ridership trends seen in previous surveys.

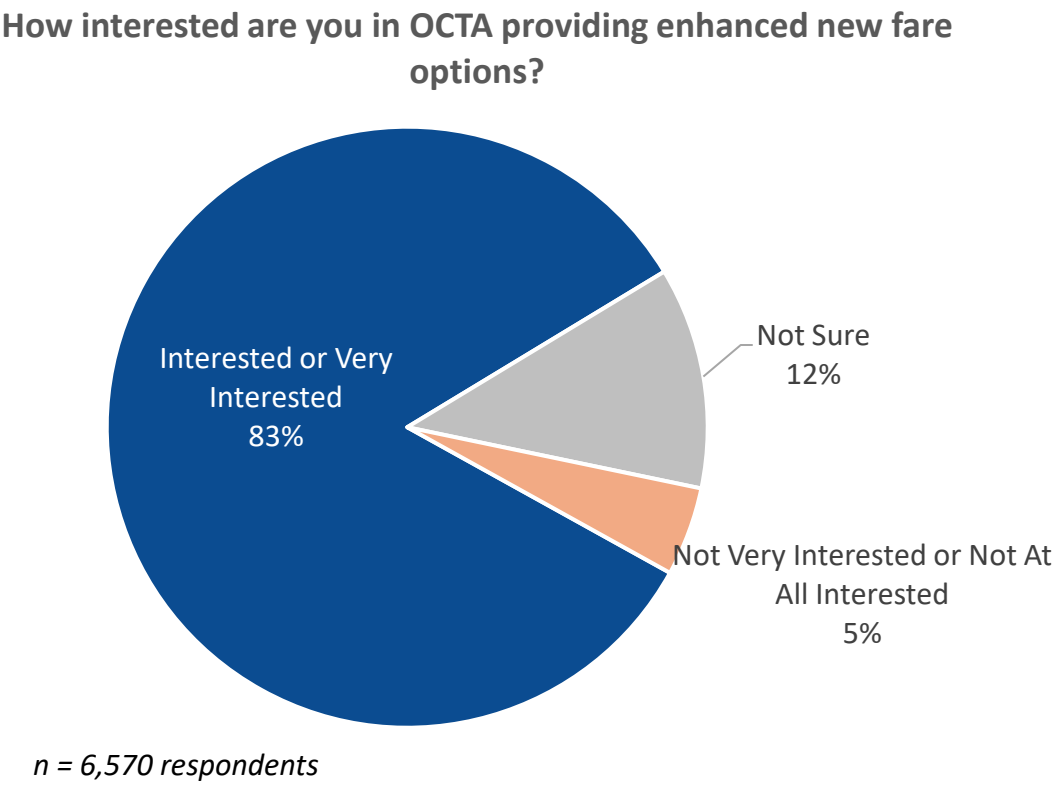
The PIP survey results are considered informal and qualitative rather than statistically significant, as the sample size is small relative to the overall Orange County population, and participants were self-selected. Informal research such as this survey is useful to explore a group's opinions and views, allowing for the collection of rich and verifiable data. This data can reveal information that may warrant further study and is often a cornerstone for developing new ideas.

Key Findings / Results

Interest in OCTA Providing New Fare Options

Respondents who are current, former, or potential OC Bus riders were asked about their interest in OCTA making changes to its fare system, specifically enhancing the system with new fare options. A majority of respondents (83 percent) said they are interested or very interested in OCTA providing enhanced new fare options. There seems to be high support for OCTA providing additional fare options, including adopting new technologies.

More than ten percent of respondents were not sure if they were interested, and five percent were not very interested or not at all interested. These respondents show a potential opportunity for additional outreach or better clarification of why some bus riders may oppose the new fare media.



n = 6,570 respondents

Further analysis is being conducted to see if the varying interest in OCTA providing new fare options is based on the existing fare options OC Bus riders are using or have used in the past. All fare options have consistent use from respondents who were interested, with no specific fare option being prominent. The variance between the options is small, with a difference of three percent between the least and most picked options. Overall, it seems likely that the current fare options have no effect on interest in OCTA providing new fare options.

Note that the use of current fare options was self-reported in the survey, so responses may not reflect actual numbers found in bus ridership or pass sales data. Due to rounding, some percentages may not add up to 100 percent.

Current Fare Media	Interest in OCTA Providing New Fare Options			
	Interested / Very Interested	Not Sure	Not Very Interested / Not At All Interested	**Total Responses**
Mobile app	90%	7%	3%	2,818
Cash (single trips)	87%	9%	4%	2,696
Paper (pre-paid) passes	88%	7%	5%	2,510
Purchased on-board day passes	87%	9%	4%	2,269
Passes from other agencies	88%	9%	4%	781
Grand Total	**88%**	**8%**	**4%**	**11,074**

n = 11,074 responses from 5,952 unique respondents (respondents can make multiple selections)

Interest also varied among different types of riders. Frequent riders (those who ride daily or weekly) had the highest levels of interest in the new fare options, with 91 percent of daily riders and 87 percent of weekly riders. A total of 82 percent of monthly riders were also interested in the new fare options.

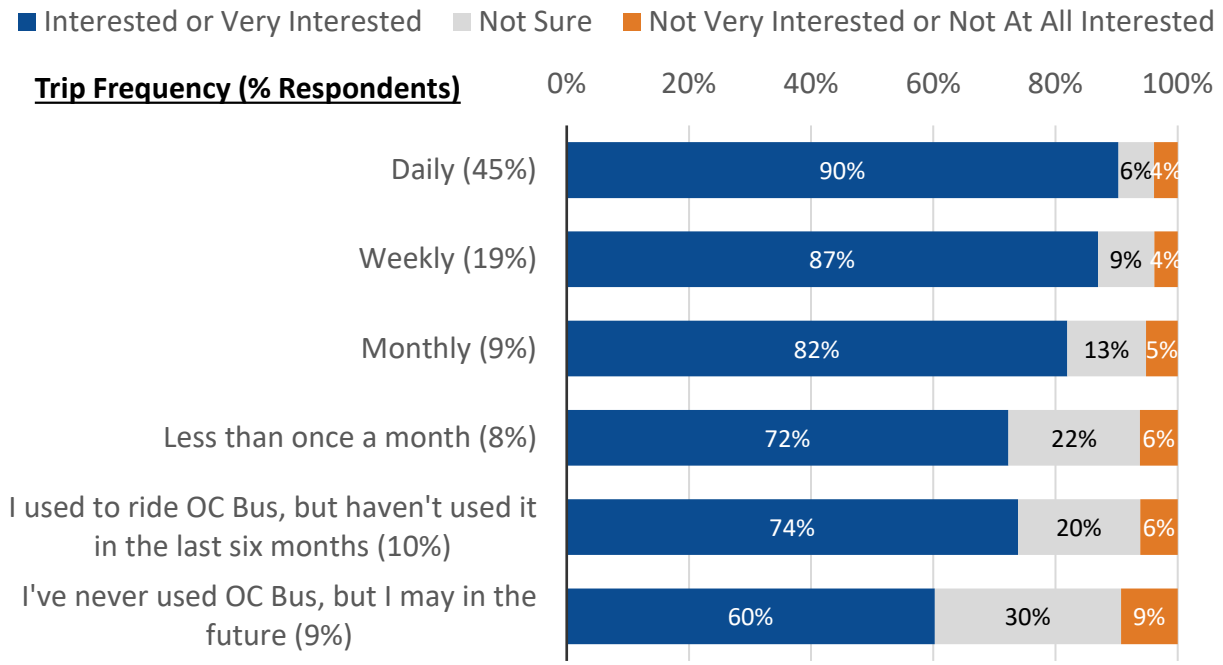
One likely reason is that frequent riders have familiarity with the current fare media, so they may be curious to see how the new fare options, including the Wave card, will perform compared to the other options.

Interest is relatively lower among riders who ride less than once a month (72 percent being interested or very interested) and former riders (74 percent being interested or very interested). Potential riders who are considering using OC Bus in the future only have 60 percent of respondents interested or very interested in the new fare options.

There is a substantial amount of uncertainty among riders who ride less than once a month (22 percent), former riders (20 percent), and potential riders (30 percent). One reason may be due to lack of familiarity with OC Bus and the different fare options.

Interest in the new fare options is very high for frequent riders, but interest decreases as trip frequency decreases, with the lowest interest coming from potential OC Bus riders who have never used OC Bus before.

Interest in New Fare Options from Different Riders



n = 6,570 respondents

Interest in OCTA providing new fare options varied by respondent language. More than 95 percent of Spanish respondents say they are interested in OCTA providing new fare options. English, Vietnamese, and Korean respondents show similar levels of interest (between 81 and 85 percent of respondents for each language). Mandarin respondents have the lowest level of high interest (76 percent). The higher interest from Spanish respondents show that the new fare options are appealing to bus riders from communities with limited English proficiency.

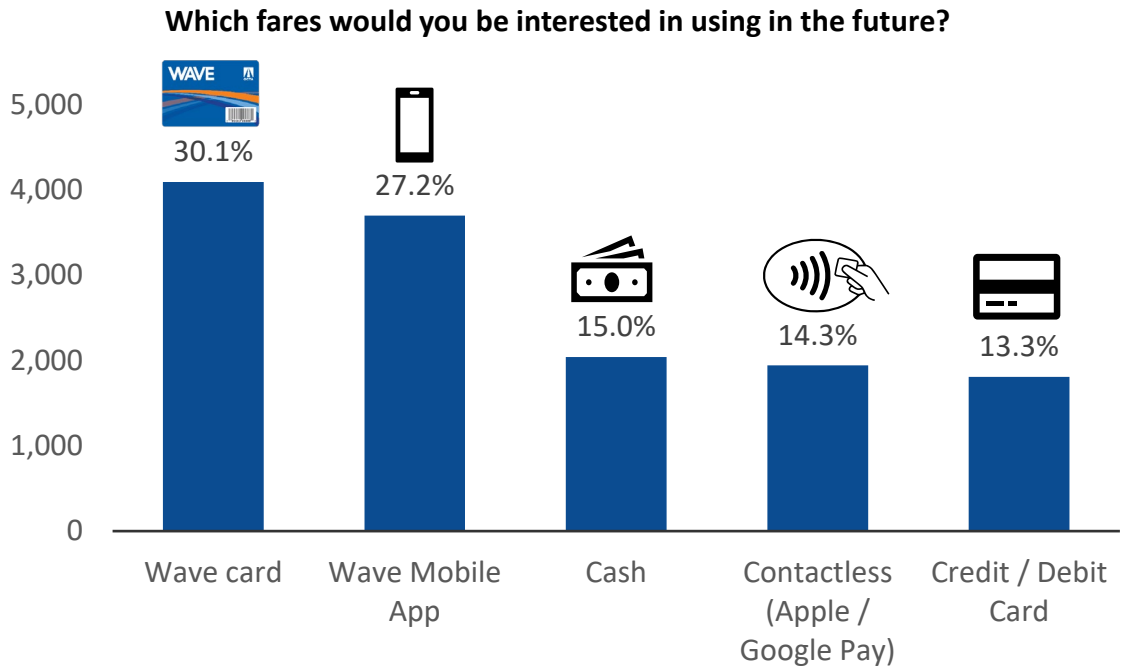
Interest in OCTA Providing New Fare Options				
Respondent Language	Interested / Very Interested	Not Sure	Not Very Interested / Not At All Interested	**Total Respondents**
English	81%	14%	5%	5,362
Spanish	95%	3%	2%	1,078
Vietnamese	85%	10%	5%	78
Mandarin	76%	17%	7%	29
Korean	83%	9%	9%	23
Grand Total	**85%**	**10%**	**5%**	**6,570**

Interest in the Wave Card and Other Potential New Fare Options

Respondents were asked which fare media they want to use after the proposed new fare media is implemented. New options included the Wave card, the Wave mobile app, contactless payments (tap-to-pay using Apple Pay or Google Pay), and the option to tap a credit or debit card directly. Cash was an existing fare option that is available for respondents to pick.

Respondents are interested in using the Wave card (30 percent) and the Wave mobile app (27 percent) in the future. These new fare options receive a lot of feedback, especially from respondents who have used similar systems from other agencies before.

Interest in contactless payments, cash, and credit / debit cards options is lower and more consistent. Cash continues to generate some interest even among the newer fare options. This suggests that even with the interest in new fare options, there remains a sustained demand for paying fare with cash.



n = 13,587 responses from 6,309 unique respondents (respondents can make multiple selections)

Further analysis shows that respondents who are interested in OCTA providing new fare options are further interested in specific options, particularly the Wave card and contactless payments. Both options have more than 90 percent of responses each. Cash has the least interest from interested respondents, although interest is still more than 80 percent. Note that OC Streetcar will not have an option to use cash or purchase single ride passes onboard the vehicle, although there will be options available at the service's ticket vending machines (TVM).

	Interest in OCTA Providing New Fare Options			
Future Fare Media	Interested / Very Interested	Not Sure	Not Very Interested / Not At All Interested	**Total Responses**
Wave card	92%	6%	2%	4,070
Wave Mobile App	88%	10%	3%	3,687
Cash for single trip	82%	12%	7%	2,030
Contactless (Apple / Google Pay)	91%	6%	3%	1,938
Credit / debit card	87%	10%	3%	1,798
Grand Total	**88%**	**8%**	**3%**	**13,523**

n = 13,523 responses from 6,266 unique respondents (respondents can make multiple selections)

The distribution of responses suggests that most respondents are both interested in new fare options (generally) and the specific new fare options that were noted in the survey.

Respondents were asked in separate questions which current fares they use and which of the specific proposed new fare options they would be interested in using. Interestingly, while it was shown earlier that overall interest in "new fare options" was consistently high across all current fare types, respondents' interest in specific future options was more varied. The comparison indicates that interest in specific new fare media may be influenced by the specific fares respondents currently use.

In particular, current users of the OC Bus mobile app demonstrated a high interest in using the future Wave mobile app (82 percent of respondents that use the mobile app).

Notably, respondents that currently use cash, paper (pre-paid) passes, or onboard day passes express strong interest in the physical Wave card option (71 percent for cash users and 78 percent respectively for pre-paid / onboard day passes).

	Future Fare Media					
Current Fare Media	Credit / debit card	Contactless (Apple / Google Pay)	Cash for single trip	Wave Mobile App	Wave card	**Total Respondents**
Mobile app	35%	44%	31%	82%	71%	2,788
Cash (single trips)	36%	39%	51%	62%	71%	2,626
Paper (pre-paid) passes	32%	35%	40%	56%	78%	2,423
Purchased onboard day passes	32%	35%	40%	56%	78%	2,228
Total Respondents	**1,583**	**1,726**	**1,883**	**3,313**	**3,719**	**5,574**

n = 5,574 unique respondents (respondents can make multiple selections)

Although there is interest in the Wave card and the Wave mobile app from cash users, they also reported having high interest in continuing to use cash in the future (51 percent).

Note that respondents could pick multiple selections for both current fare media and current fare media and percentages (which are based on the current fare media selected by survey respondents) can add up to more than 100 percent. Passes from other agencies were not

considered for this analysis since the sample size is small compared to the other current fare media options.

Interest was also gauged among different types of OC Bus riders to see if trip frequency affects interest in specific future fare options. OC Bus riders were split into the following categories:

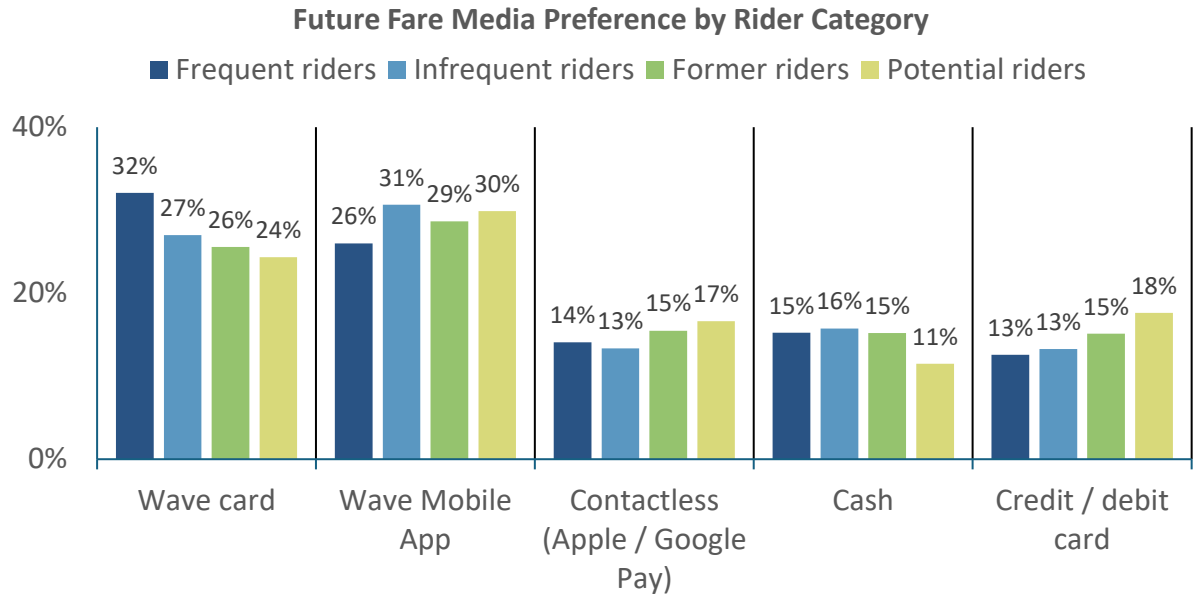
- Frequent riders = riders who ride daily or weekly
- Infrequent riders = riders who ride monthly or less than once a month
- Former riders = riders who used to ride OC Bus, but have not in the last six months
- Potential riders = respondents who have not ridden OC Bus, but may ride in the future

Frequent riders have a very similar distribution of interest in future fare options to the overall survey distribution. A total of 32 percent of responses express interest in using the Wave card, and 26 percent express interest in the new Wave mobile app.

The other groups (infrequent, former, and potential riders) have relatively higher percentages of interest in the Wave mobile app compared to the Wave card. All groups besides frequent riders have between 29 to 31 percent of responses interested in the Wave mobile app, in contrast to 24 to 27 percent for the Wave card.

Potential riders show a comparatively low amount of interest in using cash in the future (11 percent) compared to other future fare media.

Overall, frequent riders seem to have a slight preference for the Wave card, while other groups of riders prefer the Wave mobile app more.



n = 13,587 responses from 6,309 unique respondents (respondents can make multiple selections)

Interest in specific future fare options vary by respondent language. All respondent languages indicate substantial interest in the Wave card – with the Wave card being the most frequently selected option across all language group respondents – although the distribution of interest among the different languages varied. Respondents were able to pick as many proposed future fare media options as they wanted.

In terms of interest in the Wave card, Korean language respondents show the highest percentage of respondents, although it should be noted that the number of Korean language respondents was limited. Interest from Vietnamese language responses is the next highest with 43 percent interested in the Wave card.

Interest in the Wave card from respondents of remaining languages is closer in distribution, from Spanish (36 percent), Mandarin (33 percent) and English (29 percent).

	Future Fare Media					
Respondent Language	Wave card	Wave Mobile App	Cash for single trip	Contactless (Apple / Google Pay)	Credit / debit card	**Total Responses**
English	29%	28%	15%	15%	14%	11,068
Spanish	36%	23%	18%	12%	11%	2,315
Vietnamese	43%	21%	14%	13%	10%	143
Mandarin	33%	31%	13%	15%	8%	39
Korean	68%	5%	9%	0%	18%	22
Grand Total	**33%**	**31%**	**13%**	**15%**	**8%**	**13,587**

n = 13,587 responses from 6,309 unique respondents (respondents can make multiple selections)

Korean language respondents have the lowest level of interest in the Wave mobile app (five percent) and contactless payments (zero percent), particularly compared with other language groups.

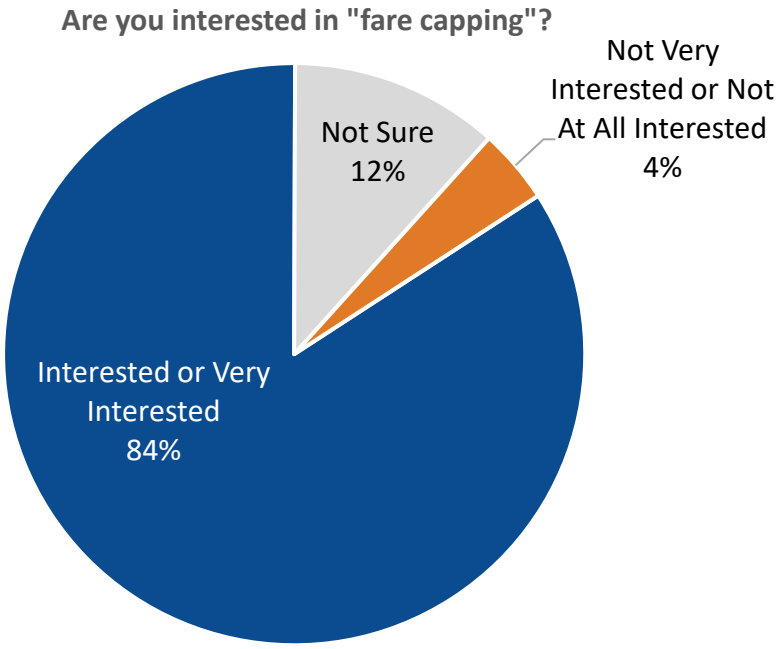
Biggest Changes to Fare System

Fare Capping

"Fare capping" was explained in the survey for respondents who were not familiar with the concept. Respondents were then asked if they are interested in fare capping.

A majority of respondents (84 percent) say they are interested or very interested in fare capping. Some respondents indicate in their open-ended responses that they are familiar with fare capping and describe their own experience in how fare capping was a benefit.

More than ten percent of respondents say they were not sure if they were interested, and four percent of respondents say they were not very interested or not at all interested.



n = 6,537 respondents

Usage of current fare options seems to have little to no effect on respondents' interest in fare capping. Interest is consistent across all existing fare options with little variance (between 87 and 90 percent of responses for all options).

Current Fare Media	Interest in Fare Capping			
	Interested / Very Interested	Not Sure	Not Very Interested / Not At All Interested	**Total Responses**
Mobile app	90%	8%	2%	2,811
Cash (single trips)	87%	10%	3%	2,686
Paper (pre-paid) passes	88%	8%	4%	2,494
Purchased onboard day passes	87%	9%	4%	2,254
Passes from other agencies	87%	9%	4%	780
Grand Total	**88%**	**9%**	**3%**	**11,025**

n = 11,025 responses from 5,920 unique respondents (respondents can make multiple selections)

Interest in fare capping seems to affect respondents' interest in specific future fare media. Respondents interested in fare capping may be more likely to use the Wave card compared to uninterested respondents.

There were more responses from interested respondents for the Wave card (31 percent of responses) and the Wave mobile app (27 percent) compared to the other options.

In contrast, uninterested respondents show interest in cash (27 percent) and the Wave mobile app (25 percent) but have low interest in the Wave card (16 percent). Respondents who were unsure about fare capping appear to be a middle ground between the two groups, with the Wave mobile app as their most picked option (29 percent).

	Future Fare Media					
Interest in Fare Capping	Wave card	Wave Mobile App	Cash for single trip	Contactless (Apple / Google Pay)	Credit / debit card	**Total Responses**
Interested / Very Interested	31%	27%	14%	14%	13%	12,022
Not Sure	25%	29%	20%	12%	14%	1,130
Not Very Interested / Not At All Interested	16%	25%	27%	16%	15%	352
Grand Total	**30%**	**27%**	**15%**	**14%**	**13%**	**13,504**

n = 13,504 responses from 6,254 unique respondents (respondents can make multiple selections)

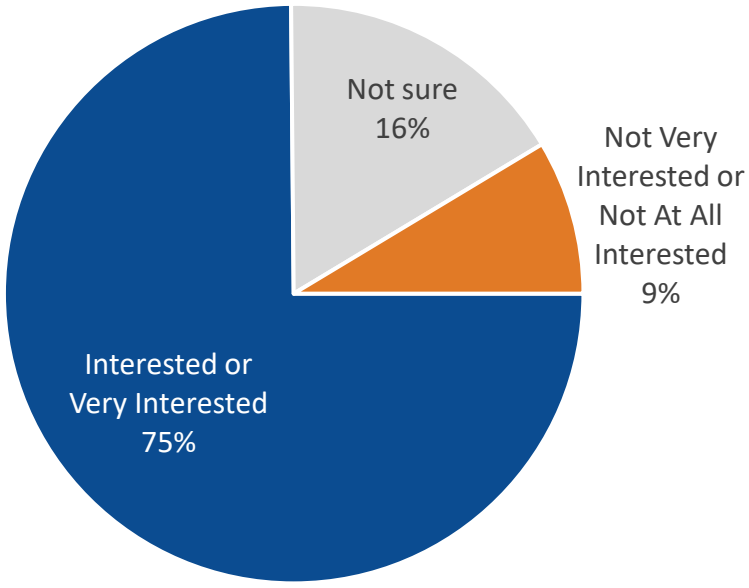
One-Time Purchase of Wave Cards

Respondents were asked if they are interested in purchasing the Wave card (paying a one-time fee to obtain a Wave card before officially using it). There is general interest in the one-time purchase fee, although there is some uncertainty. Three-quarters of respondents (75 percent) say they are interested in purchasing the Wave card. A total of 16 percent of respondents say they are unsure, and approximately nine percent say they were not very interested or not at all interested.

A likely reason for higher percentages of respondents being unsure or not interested is because of the one-time purchase fee being an additional cost on top of the usual bus fare. However, Wave card users do not have to pay the fee again once the card is used.

Some respondents are interested in the Wave card because of its environmental benefits, such as its reusability. Others say they appreciate having the card as a back-up option, in case their phones or cash are not available.

Are you interested in purchasing the Wave card?



n = 6,531 respondents

Those that indicated an interest in purchasing a Wave card also reflected this interest when asked about their future fare usage. A crosstabulation of responses to those that plan to use a Wave card (future fare media) and those interested in purchasing the Wave card shows a strong plurality of 88 percent. Respondents who indicated that they planned to use other fare media (that does not require a physical Wave card or a one-time fee) showed slightly less interest in purchasing a Wave card but still demonstrated interest.

	Interest in Purchasing Smart Card			
Future Fare Media	Interested / Very Interested	Not Sure	Not Very Interested / Not At All Interested	**Total Responses**
Wave card	88%	9%	2%	4,061
Wave Mobile App	77%	15%	8%	3,682
Cash for single trip	73%	16%	10%	2,024
Contactless (Apple / Google Pay)	79%	13%	9%	1,935
Credit / debit card	78%	16%	7%	1,796
Grand Total	**80%**	**13%**	**6%**	**13,498**

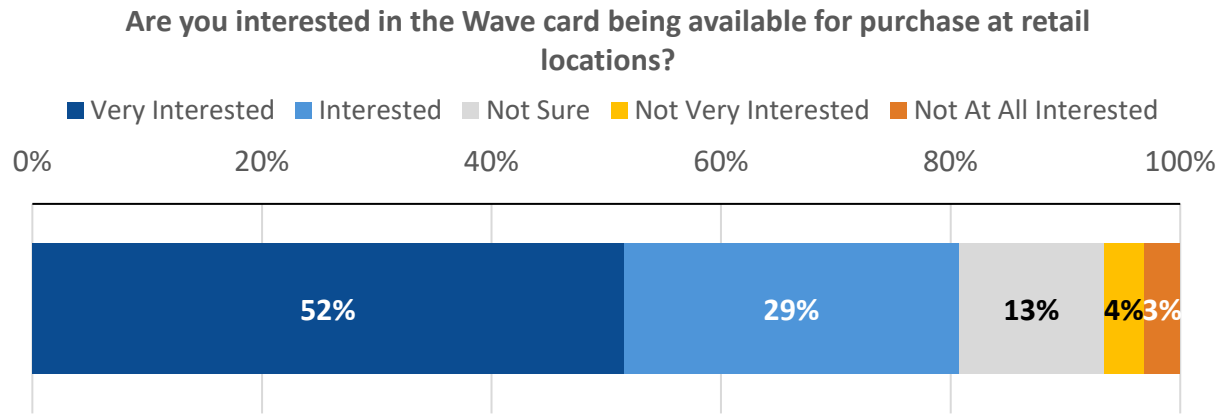
n = 13,498 responses from 6,246 unique respondents (respondents can make multiple selections)

Purchasing / Reloading Wave Cards at Retail Vendors

One change as a part of the proposed new fare media is an expanded retail vendor network. Respondents were asked if they were interested in visiting retail vendors as a first point of purchase for the Wave card. Approximately 81 percent of respondents are interested in purchasing new Wave cards at retail locations.

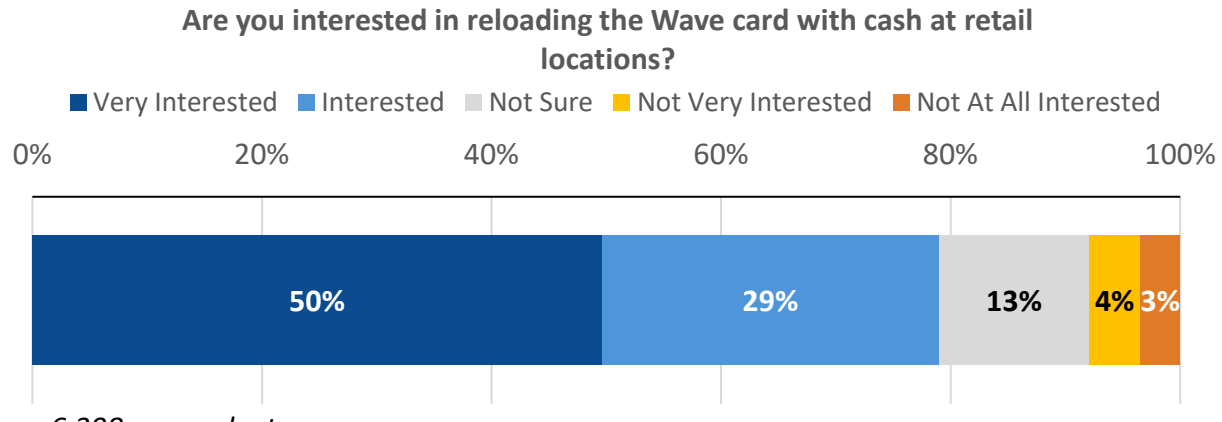
Open-ended comments from customers included requests to allow customers to purchase and reload physical Wave cards at transit centers, Metrolink stations and OC Streetcar stop TVMs. Currently, OC Streetcar TVMs will allow a customer to reload a physical pass, but not to initially purchase a physical Wave card (other options are available as an alternative).

Due to rounding, some percentages may not add up to 100 percent.



n = 6,395 respondents

Next, respondents were asked if they were interested in visiting these retail vendors again for reloading the Wave card. More than three-quarters (79 percent) of respondents are interested in reloading at retail locations.



n = 6,398 respondents

There is some correlation between purchasing and reloading at retail locations. More than 90 percent of respondents interested in purchasing the Wave card at retail locations are also interested in reloading their cards at retail locations.

More than 70 percent of respondents who are not interested in purchasing at retail locations say they are also not interested in reloading. Approximately 63 percent of respondents who are unsure about purchasing at retail locations are also unsure about reloading.

	Interest in Reloading at Retail Locations			
Interest in Purchasing at Retail Locations	Interested / Very Interested	Not Sure	Not Very Interested / Not At All Interested	**Total Respondents**
Interested / Very Interested	92%	6%	2%	5,133
Not Sure	29%	63%	9%	796
Not Very Interested / Not At All Interested	15%	10%	74%	422
Grand Total	**79%**	**13%**	**8%**	**6,351**

Key Feedback Themes from Open-Ended Comments

Respondents were able to provide open-ended responses about the proposed new fare media at the end of the survey. These comments were reviewed and categorized by theme to get a sense of what respondents thought about the proposed new fare media. A comment may contain multiple themes.

By the end of the PIP, there were a total of 2,054 individual categorized comments received from surveys.

Positive Feedback About Proposed New Fare Media

There were respondents who were excited about the proposed new fare media in the open-ended comments. Approximately 15 percent of comments are generally supportive of the proposed new fare media. Twelve percent of comments include thanks or compliments to OC Bus.

Many comments noted positive experiences with similar systems at other agencies (five percent), citing examples such as Los Angeles, San Diego, Chicago, and New York. International cities such as London and Tokyo also appear as examples in the comments. These experiences help those respondents understand how these systems operate and how they can benefit OC Bus.

Other comments expressed excitement to use the Wave card (four percent) as an alternative to cash or a mobile app. These comments appreciate OCTA's efforts in modernizing the fare system and enhancing fare payment flexibility.

The environmental benefit of the Wave card was also a recurring theme in the open-ended comments (one percent). Some comments value the Wave card's reusability, noting that it offers a more sustainable option by reducing paper waste from physical passes.

Concerns About Proposed New Fare Media

There are a low number of comments (three percent) that opposed the proposed new fare media for various reasons.

Elimination of Onboard Day Pass Sales

Some open-ended comments expressed concerns about the impact of the proposed new fare media on current fare media. There are some concerns over the onboard day passes being phased out (three percent) and requests to keep them as a fare option.

Approximately three percent of comments requested to keep cash as a payment option, especially as an option for low-income riders or those who do not wish to use the other fare options. The plan under the proposed new fare media is for OC Bus to continue accepting cash as a fare option for single trips.

Fares for Senior and Disabled Riders

A significant theme that appeared in open-ended comments is the accessibility of the Wave card to senior riders. Approximately three percent of comments are requests to keep the existing discounted fares for senior or disabled riders. The discounted senior and disabled fares will continue under the proposed new fare media system.

Another set of comments conveyed concerns that the Wave cards and the proposed system may be too confusing for senior riders or tech-adverse riders (three percent). Some of these comments recommend providing video tutorials or additional outreach to help these groups better understand how to use the Wave card.

Fares for Youth and Community College Students

Approximately two percent of comments were requests to keep the existing discounted fares for college and youth riders. These concerns are to be expected as the current Youth Ride Free pass and some College Passes are physical paper passes. Some comments were received from schools and districts, asking about how the new youth passes would be distributed with the proposed new fare media. Youth Ride Free and College Pass will continue under the proposed new fare media system.

Common Questions

Approximately three percent of comments were curious whether the Wave card would work with other transit agencies. The TAP card from the Los Angeles County Metropolitan Transportation Authority (LA Metro) and the PRONTO card from San Diego Metropolitan Transit System (San Diego MTS) were frequently mentioned examples. Some comments express concern about managing an additional transit card. Due to current technological limitations and different fare systems from other agencies, interoperability with other agencies is unlikely to happen in the near future, although OCTA staff may look into potential opportunities.

Other comments expressed interest in using the Wave card and new fare media options with the future OC Streetcar service. Most feedback, specifically on OC Streetcar, asked if the proposed new fare media will be directly compatible with the OC Streetcar. The proposed new fare media is planned to be operable with the OC Streetcar. Comments note the benefits of interoperability with OC Streetcar as an incentive for transit riders and highlight how it would encourage attracting new riders across respective transit services.

A small percentage of comments were questions about the status of the existing fare media and the existing mobile app (two percent). Some comments mentioned technical issues with the current mobile app. The proposed new fare media will include the new Wave mobile app that will be different from the current mobile app.

Another three percent of comments requested additional details about the proposed new fare media. Specifically, one percent of comments asked for more information about fare capping, while 0.3 percent of comments requested clarification on the two-hour transfer period.

Public Comments

In-Person/Virtual Community Meetings

OC Bus riders and the public had the opportunity to discuss the proposed new fare media and provide feedback. There were four in-person and three virtual community meetings. A total of 92 customers participated in the community meetings. Spanish and Vietnamese speaking interpreters were available for language assistance as needed for meetings.

Virtual Community Meetings (all conducted on Zoom)

- February 4, 2025 - English – 46 attendees
- February 5, 2025 - Spanish – 15 attendees
- February 12, 2025 - Vietnamese – 19 attendees

In-Person Community Meetings

- February 11, 2025 - Norma Hertzog Community Center – 4 attendees
- February 12, 2025 - Laguna Hills Community Center – 1 attendee
- February 13, 2025 - Fullerton Community Center – 5 attendees
- February 20, 2025 - Santa Ana College – 2 attendees

A summary of public comments received from the community meetings is listed below. During the meetings, customers noted that they appreciated the opportunity to provide feedback about the proposed new fare media.

Community Meeting Feedback Summary

Attendees expressed enthusiasm for the initiative and progress on "something new." In addition to thanking staff for the information provided, attendees said they liked a lot of the changes and were excited to use the new smart card – particularly to have a mobile option. Attendees asked for more details about when the Wave card would be available and were also interested in how long existing paper passes would continue to be accepted.

There were several questions and comments related to the interoperability of the Wave card, both on other OCTA systems, as well as other external agencies. These included if the Wave card would be usable on OC Flex or the OC Streetcar system. There were several questions whether the Wave card system would include OC ACCESS, along with inquiries if there would be discounted fares for OC ACCESS riders using OC Bus.

Several attendees noted similarities to other local transit agency smart cards, including Los Angeles Metro and Long Beach Transit's TAP cards and San Diego MTS's PRONTO card. Several attendees asked if the Wave card would work with other local transit agencies, including LA Metro, Long Beach Transit, and San Diego MTS. One attendee was also interested if other

agencies would accept the Wave card as a transfer, asking if the card would need to be tapped, or merely shown to the transferring coach operator.

There were several questions about the specific details of the free two-hour transfer period, including questions about when the two-hour period started, if there was any need to "reset" the transfer period, and how the two-hour period would work on longer routes with more infrequent transfer times. In one meeting, an attendee asked if there were any limits on the two-hour transfer, such as direction of travel or the same route.

There were several questions about existing specialty and discount passes and if they would continue to be available and if there would be any changes to the cost or availability of these passes. Passes discussed included senior and disabled fares, Youth Ride Free passes, and community college passes. It was shared that these existing passes would continue and there would be no change to the cost of the passes.

There was some feedback about the cost of the physical Wave card, with one attendee noting that the fares weren't changing, but now they had to pay the cost to purchase a Wave card. It was asked if there would be a promotional period when the Wave cards are offered free to riders. It was noted that OCTA intends to provide a Wave card to replace the existing Reduced Fare Identification Card used by senior and disabled riders.

One attendee asked how the Perk Pass (Employer Pass) would work with the proposed Wave card system. They asked if the physical Wave cards would include an identification or serial number that could be used to assign to employees.

Additionally, one attendee asked if OCTA would be creating a low-income pass as part of the proposed new fare system.

Community meeting attendees also asked a few technical questions about the proposed new fare system, which included whether the use of a mobile phone used or required Near Field Communication in order to operate.

There were several attendees concerned if it was a requirement to create an account in order to use the Wave card. These concerns were mostly noted that the process may be confusing for the elderly or those less experienced with computers and mobile devices. One attendee wanted to clarify that account creation did not have citizenship or other legal requirements.

The overall tone of the feedback from community meetings was largely positive, particularly once questions about the continuation of existing fares were addressed. Multiple attendees expressed that OCTA should ensure that riders are notified of the new fare media system to avoid confusion. Others asked if OCTA had information or a program to help seniors or unfamiliar riders with how to use the Wave card system and to load funds onto the card.

Public Comments — Email, Phone Calls, and Social Media

Customers were able to provide feedback on the Plan by calling or emailing the Customer Information Center and sending comments to OCTA Customer Relations. A total of 13 comments, most of which were critical of proposed new fare media, have been received and summarized below.

Customer Relations comments received included:

- Requests to keep cash payments or preferences for cash payments
- Concerns about the one-time purchase fee of the Wave card
- Questions and concerns about the logistics of the proposed new fare media for other agencies or charities who currently distribute bus passes
- One email that was received for the public hearing expressed concerns about privacy, possible impacts on intra-agency transfers, and the one-time purchase fee of the Wave card

Public social media discussion was also considered for feedback on the PIP. There were 162 comments received on social media. Approximately 22 percent of comments were supportive of the proposed new fare media, while three percent opposed the new fare media. Some social media comments asked for more information about the new fare media (three percent).

Community Events and Organizations

To meet with the public in person and ensure participation across all communities, staff participated in several community events and celebrations, completed ride-alongs and staffed transit centers, and visited popular destinations including:

- Little Saigon Television (LSTV) Little Saigon Pre-Tet Event (January 19, 2025)
- City of Santa Ana Tet Festival (January 25, 2025)
- Orangewood Foundation Transit Training (January 28, 2025)
- Little Saigon Lunar New Year's Eve Event (January 28, 2025)
- Union of Vietnamese Student Association (UVSA) Tet Festival (January 31 to February 2, 2025)
- O.C. Black History Month Parade and Unity Festival (February 1, 2025)
- Golden West College Welcome Back Event (February 3-4, 2025)
- City of Stanton Food Distribution (February 4, 2025)
- Santiago Canyon College Welcome Back Event (February 10, 2025)
- Fullerton College Club Kick-Off (February 19, 2025)
- Downtown Senior Center Community Event (February 19, 2025)
- Santa Ana Unified School District Wellness Fair (February 21, 2025)
- Kid's Pet Parade (February 22, 2025)

- Santa Ana Senior Center Community Event (February 24, 2025)
- Southwest Senior Center Community Event (February 25, 2025)
- Cypress College Back to School Event (February 26, 2025)
- Goldenwest Transportation Center (February 26, 2025)
- Fullerton Park and Ride (February 26, 2025)
- Laguna Hills Transportation Center (February 27, 2025)
- Newport Transportation Center (February 28, 2025)
- Garden Grove Unified School District Community Resource Fair (March 1, 2025)
- Northgate Market ethnic markets outreach (March 2-3, 2025)
- Family and Community Engagement (FACE) Liaison Meeting, Santa Ana Unified School District (March 4, 2025)
- Nowruz Spring Festival and Market (March 9, 2025)
- Golden West College: Goldchella (March 13, 2025)
- Southwest Senior Center St. Patrick's Day Senior Event (March 19, 2025)
- Fullerton Community Center Senior Food Distribution (March 20, 2025)
- Vietnamese Friendship Artists Group Community Event (March 23, 2025)

A brief summary of public comments received from community events is listed below. While customers supported the proposed new fare media, some voiced concerns or questions. Some attendees provided comments unrelated to the proposed new fare media, such as general appreciation for OC Bus or questions relating to technical issues with the current mobile app.

Comments heard included:

- Questions about distribution of the proposed new fare media and account management
- Questions relating to vendor locations, such as which vendors are or are not included in the proposed retail network
- Questions about free ride programs such as Youth Ride Free being included in the proposed new fare media
- Requests from senior or non-English speakers for additional print outreach materials providing more details about the proposed new fare media; requests for additional communications in advance of / during the launch of the proposed new fare media

OCTA Advisory Committees

Citizens Advisory Committee

January 21, 2025 – OCTA Headquarters (16 Attendees)

Committee members provided comments and questions following a presentation by staff on the proposed new fare media. There was interest in when the Wave card option would become available and when existing paper fare media would no longer be available. In response to a

committee member's question, staff noted that the Wave card would be available for OC Bus and the future OC Streetcar.

Summary minutes from this item are attached within the appendix.

Accessible Transit Advisory Committee

January 28, 2025 – OCTA Headquarters (11 Attendees)

Committee members discussed and shared feedback on the proposed new fare media. Members provided feedback that the design and presentation of the Wave card would be important, both for identification of the card for senior and other discounted fares, as well as differentiating the Wave card from unrelated gift cards sold by retailers. A committee member requested that additional research and consideration be performed regarding the Wave card with regard to the disabled population. They expressed concern about discounted fares not being available when using credit or debit cards. Staff noted that this was a system limitation based on credit card information, but that there were other media options (including cash and Wave cards) that continued to provide discounted fares and noted they would look into additional options.

Summary minutes from this item are attached within the appendix.

Diverse Community Leaders Meeting

February 18, 2025 – Virtual Meeting via Microsoft Teams (24 Attendees)

The PIP was also presented at the Diversity Community Leaders Quarterly Meeting on February 18, 2025. While there was no feedback specific on the proposed new fare media, the participating diversity community leaders agreed to distribute the information to their communities.

Teen Council

February 18, 2025 – OCTA Headquarters (19 Attendees)

The PIP was presented at the Teen Council Meeting on February 18, 2025. While there were no discussions about the proposed new fare media, questions were asked about the current Youth Ride Free passes, the Wave mobile app, and interoperability with other agencies, such as Metrolink or LA Metro. A majority of attendees supported the proposed new fare media and noted they prefer digital (mobile) passes.

Meeting with Social Service Agencies

March 18, 2025 – Virtual Meeting (27 Attendees)

A roundtable meeting with representatives from Orange County social services agencies provided feedback on the proposed new fare media. Attendees were interested in how the new Wave card and account-based management would provide new administration options for providing transit benefits to their clients, such as fare capping and automatic balance top offs for clients. OCTA staff noted that they would return to provide a preview of the institutional management website and provide training to interested agencies prior to the launch of the Wave card system.

Summary minutes from this item are attached within the appendix.

Public Hearing

March 24, 2025 – OCTA Headquarters (Three Public Speakers)

As part of the public hearing on March 24, there were comments received from public speakers. One speaker expressed concerns about the privacy of his transit usage of the proposed new fare media and requested that the benefits of the Wave card be available to those that do not wish to register an account or use the mobile app. Another speaker noted concerns that the move away from paper passes would impact those that receive passes through a social service agency.

The required court stenographer transcript of the public hearing, including public comments, is included in the appendix.

Next Steps

OCTA is proposing new fare media as part of the RVS scheduled to launch in late summer 2025. Through the comprehensive PIP, OCTA has gathered community feedback that shows strong interest in these new payment options, as well as limited concerns and questions.

The multifaceted and multilingual outreach program concluded with a public hearing on March 24, 2025. By the end of the program, responses from 8,256 surveys were collected. More than 6,900 current, former, and potential OC Bus riders have provided valuable feedback on the proposed RVS.

All the feedback received will help shape and inform the final proposed new fare media to be presented to the Board on May 27, 2025. Subject to the approval of the Board, OCTA will implement a comprehensive Awareness and Education Campaign to increase public awareness of the new fare media as well as proactively responding to feedback received during the PIP.

Appendix

A. Survey Question by Question Summary

All PIP data is reported as of March 24, 2025, the close of the PIP.

1. How often do you use OC Bus?

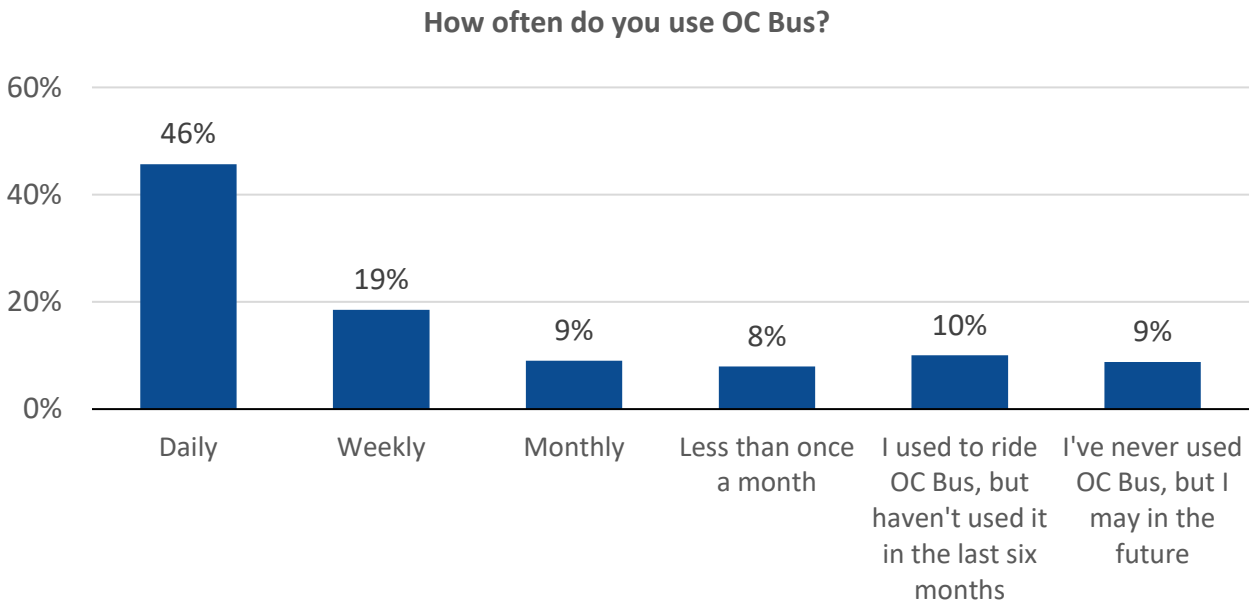
Approximately 64 percent of respondents say they use OC Bus daily or weekly, with more than 45 percent of respondents riding daily and 19 percent of respondents riding weekly. These respondents are considered frequent riders, and they currently make up the majority of respondents.

Approximately nine percent of respondents say they use OC Bus monthly, while eight percent say they use OC Bus less than once a month. These respondents are considered infrequent riders.

Some respondents say that they used OC Bus in the past, but they have not ridden the bus in the past six months (ten percent). These respondents are considered former riders.

Other respondents say that they have never used OC Bus before, but they may consider using it in the future (nine percent). These respondents are considered potential riders. Although potential riders are not currently using the bus, they may still provide valuable feedback.

The PIP prioritized receiving feedback from current and former riders of OC Bus. Respondents who picked “I don’t ride OC Bus” were not qualified to take the survey, although they were given the option to provide feedback in the open-ended comments.

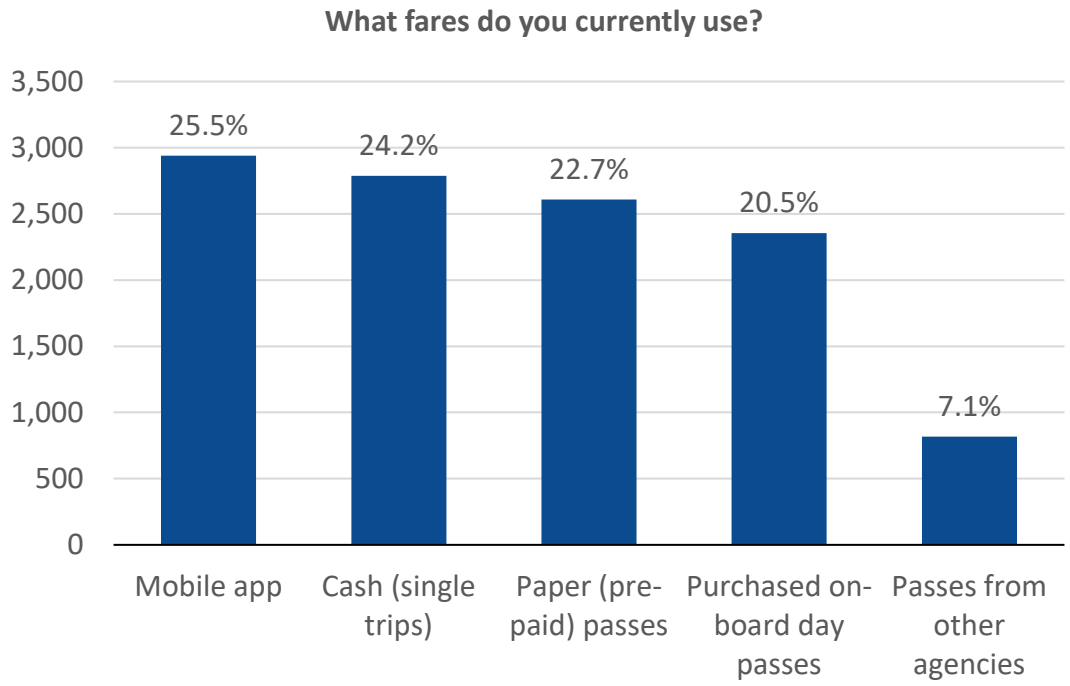


n = 6,951 respondents

2. What types of fare media have you ever used for OC Bus? (Check all that apply)

Respondents reported using most current fare options consistently (respondents could select more than one option), with the exception of usage of other transit agency passes. The mobile app has a slight lead over the rest of the options (26 percent) besides the passes from other agencies. Cash (24 percent) is the next selected option, followed by pre-paid paper passes (23 percent) and onboard day passes (21 percent). A smaller percentage of respondents report using passes from other agencies (i.e., Metrolink, Amtrak, etc.).

Respondents who say they have never used OC Bus but may in the future (potential riders) did not answer this question, but they could answer the rest of the survey.

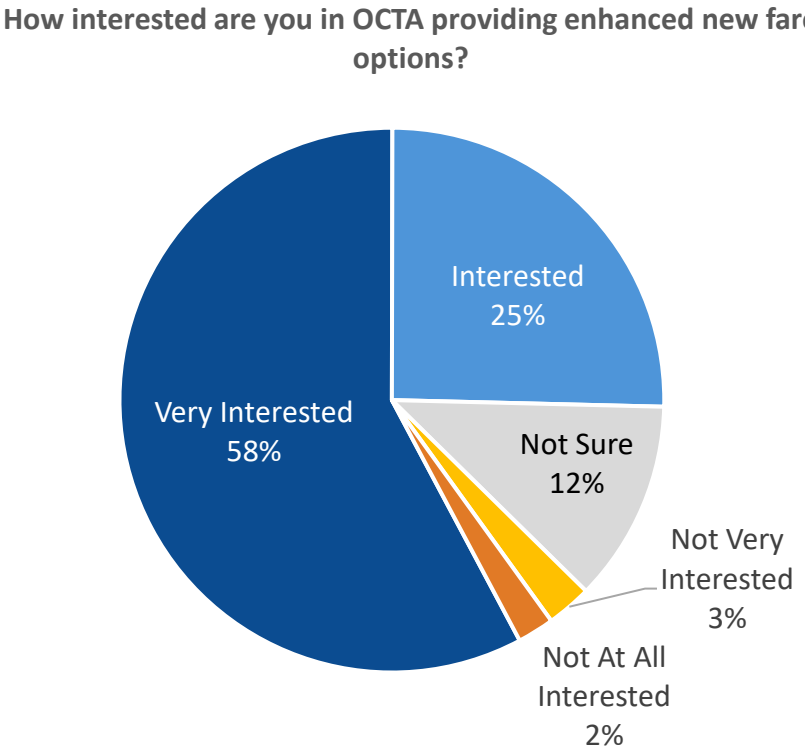


n = 11,511 responses from 6,214 respondents (respondents can make multiple selections)

3. How interested are you in OCTA providing enhanced new fare options?

A majority of respondents (83 percent) were interested or very interested in OCTA providing new fare options. The high interest shows that respondents are supportive of OCTA taking steps to modernize its fare system.

Approximately 12 percent of respondents say they were not sure, while five percent say they were not very interested or not at all interested.

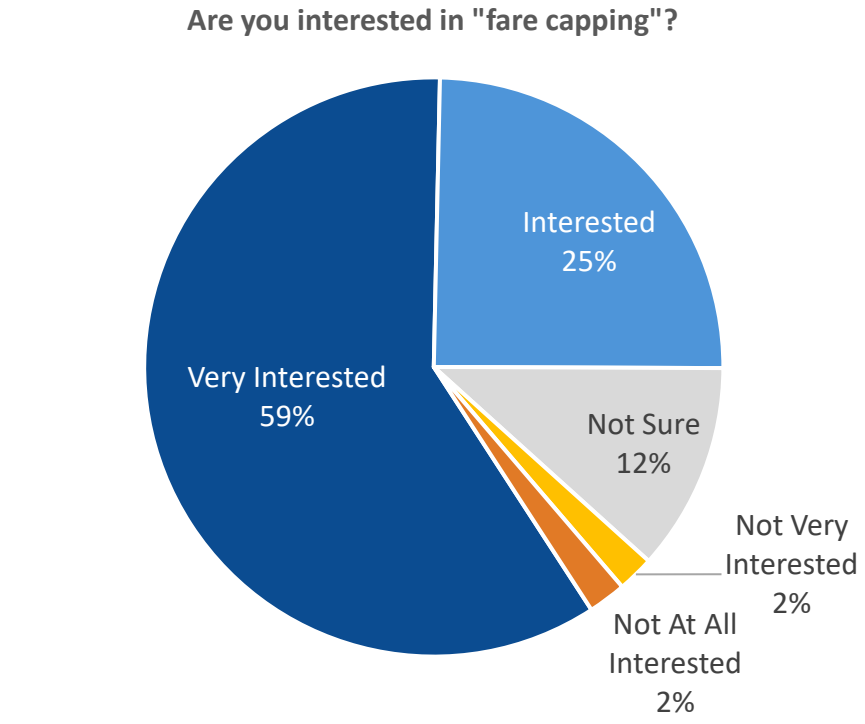


n = 6,570 respondents

4. **Are you interested in "fare capping," which ensures you're always paying the best fare when using OC Bus?**

A majority of respondents (84 percent) were interested or very interested in fare capping. Those expressly noted that they are very interested (59 percent) were the majority of the responses received. Based on write-in comments, some respondents note positive experiences with fare capping in other transit systems, leading to an understanding of how fare capping works.

Other respondents express confusion or concern over fare capping in the open-ended comments, although the percentages for those categories are small (12 percent not sure and four percent not very or at all interested).



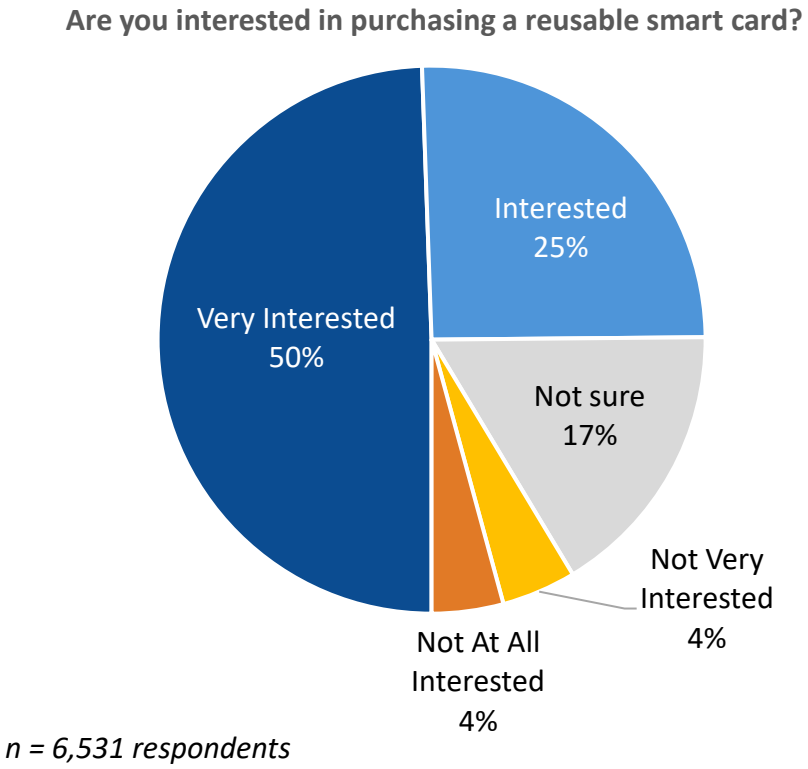
n = 6,537 respondents

5. Are you interested in purchasing a reusable smart card?

Respondents were asked whether they would be interested in purchasing a reusable smart card or pay a one-time fee to get a new card. Three-quarters of respondents (75 percent) expressed interest in purchasing a reusable smart card.

Approximately 17 percent of respondents say they were not sure about purchasing the smart card. Some of the uncertainty about this fee can also be found in the open-ended comments.

For similar reasons, eight percent of respondents said they were not interested in purchasing the smart card.

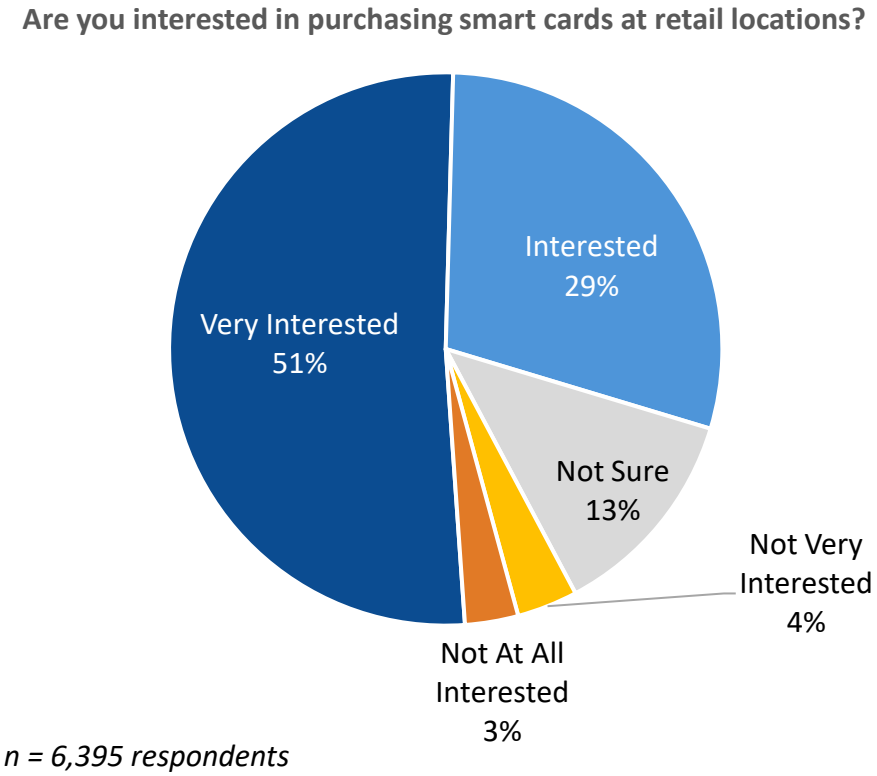


n = 6,531 respondents

6. Are you interested in smart cards being available for purchase at retail locations?

A majority of respondents (80 percent) are interested or very interested in smart cards being available at retail locations. Respondents being open to retail vendors show that purchasing the physical fare media (Wave card) at retail locations does not pose an obstacle for obtaining smart cards or paying fare.

Approximately 13 percent of respondents say they are not sure about smart cards being available at retail locations, and seven percent of respondents say they are not very or at all interested.

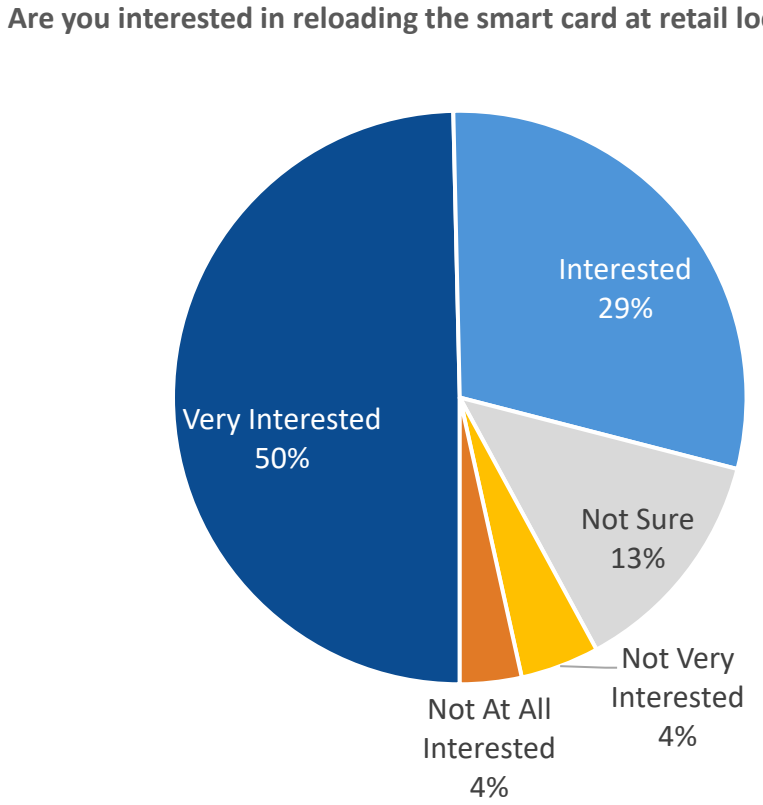


n = 6,395 respondents

7. Are you interested in being able to reload the smart card with cash at retail locations?

A majority of respondents (79 percent) are interested or very interested in being able to reload the smart card with cash at retail locations.

Approximately 13 percent say they are not sure about reloading the smart card at retail locations, and eight percent say they are not very or at all interested. Note that reloading value to the smart card could also be done using a credit or debit card via the mobile app, or at an OC Streetcar TVM.

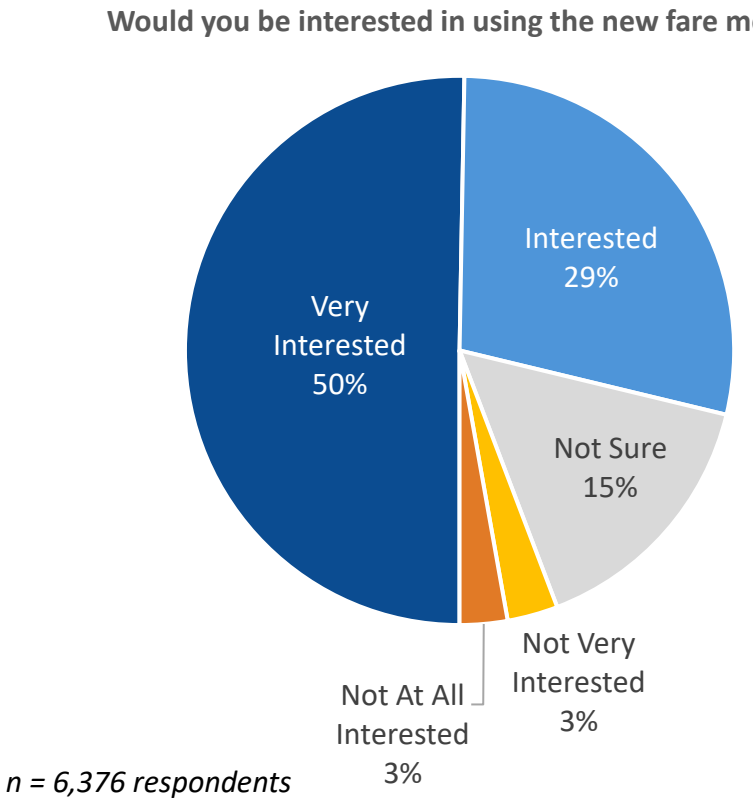


n = 6,398 respondents

8. **Would you be interested in using the new fare media (with a best fare guarantee), instead of a day pass purchased onboard?**

A majority of respondents (79 percent) are interested or very interested in using the new fare media, which includes the smart card.

Approximately 15 percent say they are uncertain about using the new fare media, while six percent say they are not very or at all interested. A few respondents expressed concern in open-ended responses about the discontinuation of onboard day pass sales.

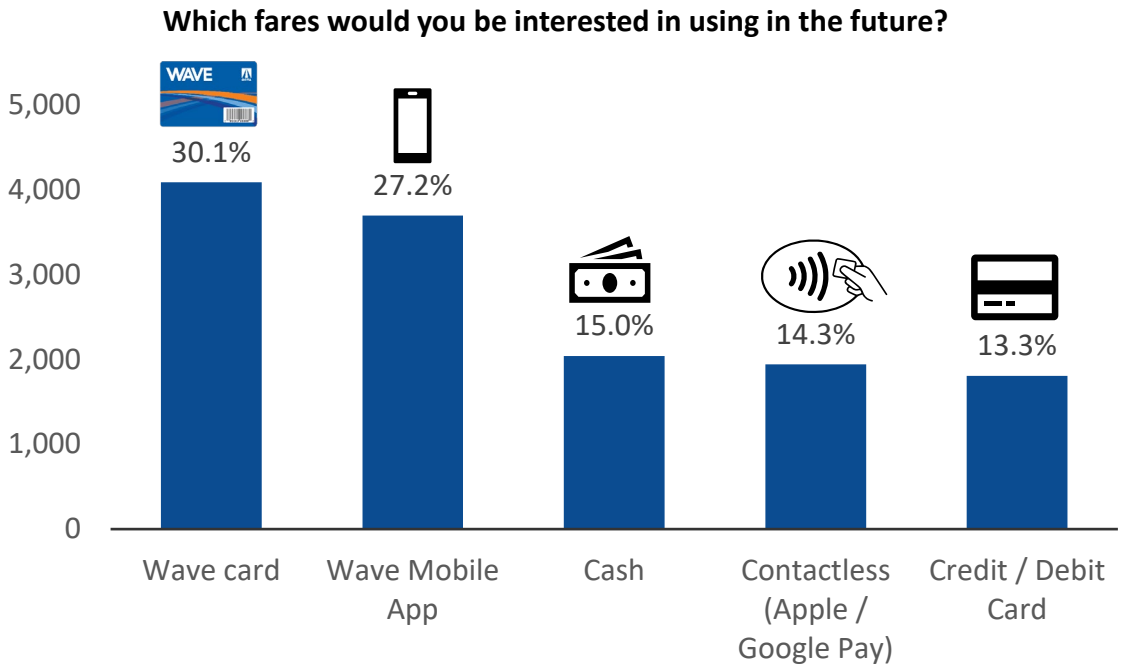


n = 6,376 respondents

9. Which types of fare would you be interested in using in the future? (Check all that apply)

A majority of respondents are interested in using a smart card such as the Wave card (30 percent) and the new Wave mobile app (27 percent) in the future. Both new fare options have the highest interest based on frequency of responses.

Interest in contactless payments, cash, and credit / debit cards options is lower and more consistent across selections.



n = 13,587 responses from 6,309 unique respondents (respondents can make multiple selections)

Customers will be able to use a variety of new fare options to pay, including the new smart card, a new mobile app, or tap-to-pay options using credit or debit cards, or mobile wallets, like Apple Pay or Google Pay.

OCTA will continue to accept cash for single-trip fares, however the purchased on-board day passes will be phased out as the new fare options will provide a best fare guarantee for customers.

Los clientes podrán usar una variedad de nuevas opciones de tarifa para pagar, que incluyen la nueva tarjeta inteligente, una nueva aplicación móvil o opciones de pago sin contacto usando tarjetas de crédito o débito, o billeteras móviles, como Apple Pay o Google Pay.

OCTA seguirá aceptando efectivo para los viajes de un solo viaje. Sin embargo, los pases de un día comprados a bordo se eliminarán gradualmente, ya que las nuevas opciones de tarifas proporcionarán el mejor precio para los clientes.

8. **Would you be interested in using the new fare media (with a best fare guarantee), instead of a day pass purchased on-board?**
¿Le interesaría usar los nuevos medios de tarifa (con una garantía de mejor precio), en vez de un pase que se compra a bordo?

- ☐ Very Interested | *Me interesa mucho*
- ☐ Interested | *Me interesa*
- ☐ Not Sure | *No estoy seguro/a*
- ☐ Not Very Interested | *No me interesa mucho*
- ☐ Not At All Interested | *No me interesa para nada*

9. **Which types of fare would you be interested in using in the future? (Check all that apply)**
¿Qué tipo de tarifa le interesaría usar en el futuro? (Marque todas las que corresponda)

- ☐ Smart card | *Tarjeta inteligente*
- ☐ Mobile app | *Aplicación móvil*
- ☐ Credit / debit card | *Tarjeta de crédito/débito*
- ☐ Cash for single trip | *Efectivo para viaje único*
- ☐ Mobile phone payments (Apple/Google/Samsung Pay) | *Pagos con el teléfono móvil (Apple/Google/Samsung Pay)*

10. **Do you have any other feedback that you would like to share?**
¿Tiene algún otro comentario que le gustaría compartir?

11. **For a chance to win one of five $100 VISA gift cards, please provide your email address or phone number.**
Para tener la oportunidad de ganar una de las cinco tarjetas VISA de $100, por favor, proporcione su dirección de correo electrónico o su número de teléfono.

Email/Phone | *Correo electrónico/Número de teléfono*

☐ Please check if you are interested in participating in the testing of the new "smart card" and mobile app.
Marque si le interesa participar en la prueba de la nueva "tarjeta inteligente" y aplicación móvil.



BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 7787 ORANGE, CA
POSTAGE WILL BE PAID BY ADDRESSEE

ATTN: WAVE CARD
ORANGE COUNTY TRANSPORTATION AUTHORITY
PO BOX 14184
ORANGE CA 92863

NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES

GET MORE INFORMATION

For more information please visit OCbus.com/Wave or call (714) 636-RIDE. You can provide comments online or mail them to: OCTA, Attn: Wave Card, 600 S. Main St., P.O. Box 14184, Orange, CA 92863.

OBTENER MÁS INFORMACIÓN

Para más información por favor visite OCbus.com/Wave o llame al (714) 636-RIDE. Puede proporcionar sus comentarios en línea o por correo a: OCTA, Attn: Wave Card, 600 S. Main St., P.O. Box 14184, Orange, CA 92863.

Translators and Accessibility

Spanish and Vietnamese translation services will be available at all community meetings.

Any person with a disability who requires a modification or accommodation in order to participate in these meetings should contact the OCTA Clerk of the Board at (714) 560-5676 no less than two (2) business days prior to these meetings to enable OCTA to make reasonable arrangements to assure accessibility to these meetings.

For more information or to comment online, visit OCbus.com/Wave. If you would like to receive this information in other languages, please call (714) 636-RIDE.

Traductores y accesibilidad

Los servicios de traducción al español y vietnamita estarán disponibles en todas las reuniones de la comunidad.

Cualquier persona con una discapacidad que requiere una modificación o establecimiento, con el fin de participar en estas reuniones, debe comunicarse con el Secretario de la Junta del OCTA al (714) 560-5676 no menos de dos (2) días hábiles antes de estas reuniones para permitir a que la OCTA haga arreglos razonables para asegurar la accesibilidad a estas reuniones.

Para obtener más información o hacer comentarios en línea, visite OCbus.com/Wave. Si desea recibir esta información en un idioma que no sea inglés, español o vietnamita, por favor llame al (714) 636-RIDE.

OCTA | OCBUS

OCTA | OCBUS

Goodbye, Paper Passes. Get Ready for Wave Card!

Adiós a los pases de papel. ¡Prepárate para la tarjeta Wave!



Give us your feedback for a chance to win a $100 VISA gift card

Ayúdanos a mejorar el OC Bus para la oportunidad de ganar una tarjeta VISA de $100

OC Bus is planning to introduce a new contactless reloadable "smart card" and new mobile app that will provide more pay-as-you-go flexibility and options when paying your fare.

The cost to ride using the new fare system will not increase – many riders will save money with the new system. OC Bus will continue to offer the same discounted fares for eligible riders, such as senior and disabled fares.

OC Bus tiene previsto incorporar una nueva "tarjeta inteligente" recargable sin contacto y una nueva aplicación móvil que proporcionarán más flexibilidad y opciones a la hora de pagar la tarifa.

El costo de viajar usando el nuevo sistema de tarifa no aumentará; muchos pasajeros ahorrarán dinero con el nuevo sistema. OC Bus seguirá ofreciendo las mismas tarifas con descuento a los pasajeros elegibles, como las tarifas para mayores y con discapacidad.

Tell Us What You Think By March 24, 2025!
There are many ways to participate, such as completing the attached mail-in survey or filling out the survey online. Thank you for sharing your feedback.

¡Cuéntenos lo que piensa antes del 24 de marzo de 2025!
Hay muchas maneras de participar, como completar la encuesta por correo adjunta o completar la encuesta en línea. Gracias por compartir sus comentarios.

PARTICIPATE FOR A CHANCE TO WIN $100* | PARTICIPE PARA TENER LA POSIBILIDAD DE GANAR $100*

PARTICIPATE IN A COMMUNITY MEETING
Participe en una reunión comunitaria
RSVP/Resavar: OCbus.com/Wave

Virtual Meetings
Reuniones virtuales

English
February 4, 2025 | 6 p.m.
Febrero 4, 2025 | 6 p.m.

Spanish
February 5, 2025 | 6 p.m.
Febrero 5, 2025 | 6 p.m.

Vietnamese
February 12, 2025 | 3 p.m.
Febrero 12, 2025 | 3 p.m.

In-Person Meetings
Reuniones presenciales

February 11, 2025 | 6 p.m.
Febrero 11, 2025 | 6 p.m.
Norma Hertzog Community Center
1615 Park Ave
Costa Mesa, CA 92627
Serves: by routes 35, 73, 55 or 71
Servido por rutas 55, 73, 55 o 71

February 12, 2025 | 6 p.m.
Febrero 12, 2025 | 6 p.m.
Laguna Hills Community Center
25555 Alicia Pkwy
Laguna Hills, CA 92653
Serves: by routes 91 and 177
Servido por rutas 91 y 177

February 13, 2025 | 6 p.m.
Febrero 13, 2025 | 6 p.m.
Fullerton Community Center
340 W Commonwealth Ave
Fullerton, CA 92832
Serves: by route 26
Servido por Ruta 26

More locations will be added as needed. Check OCbus.com/Wave for updates.
Más ubicaciones se agregará según sea necesario.
Visite OCbus.com/Wave para actualizaciones.

PROVIDE COMMENTS VIA PHONE
Proporcionar comentarios por teléfono
(714) 636-7433 (RIDE)

PARTICIPATE IN THE PUBLIC HEARING
Participe en la audiencia pública
March 24, 2025 | 9:30 a.m.
March 24, 2025 | 9:30 a.m.
OCTA Headquarters, Board Room
550 S. Main St
Orange, CA 92868
Served by: routes 53, 56, 82 and 553
Servido por rutas 53, 56, 83 y 553

Take the survey online or mail in the postage-paid survey included in this brochure.
Realice la encuesta en línea o envíe por correo la encuesta prepagada, incluida en este folleto.

OCBus.com/Wave2025

*No purchase or payment necessary to win. See all official sweepstakes rules at OCbus.com/WaveSales.
*No es necesario realizar ninguna compra o efectuar ningún pago. Consulte las normas oficiales de sorteo en OCbus.com/WaveSales.

MAIL-IN SURVEY
ENCUESTA POR CORREO

1. **How often do you use OC Bus?**
¿Con qué frecuencia usa OC Bus?

- ☐ Daily | *Diariamente*
- ☐ Weekly | *Semanalmente*
- ☐ Monthly | *Mensualmente*
- ☐ Less than once a month | *Menos de una vez al mes*
- ☐ I used to ride OC Bus, but haven't used it in the last six months | *Solía viajar en OC Bus, pero ya no he usado en los últimos seis meses*
- ☐ I've never used OC Bus, but I may in the future | *Nunca he usado OC Bus, pero en el futuro puede que sí lo haga*
- ☐ I don't use OC Bus | *No uso OC Bus*

2. **What types of fare have you ever used for OC Bus? (Check all that apply)**
¿Qué tipo de tarifa ha usado alguna vez para OC Bus? (Marque todas las que corresponda)

- ☐ Paper (pre-paid) passes | *Pases en papel (prepagos)*
- ☐ Purchased on board day passes | *Pases de día adquiridos a bordo*
- ☐ Mobile app | *Aplicación móvil*
- ☐ Cash (single trips) | *Efectivo (viajes únicos)*
- ☐ Passes from other agencies | *Pases de otras agencias*

OCTA is planning to introduce new technologies to modernize its existing fare options, including smart cards, a new mobile app, and tap-to-pay options using credit or debit cards, or mobile wallets, like Apple Pay or Google Pay.

OCTA está planeando introducir nuevas tecnologías para modernizar sus opciones de tarifa existentes, que incluyen la tarjeta inteligente, una nueva aplicación móvil y opciones de pago sin contacto usando tarjetas de crédito o débito, o billeteras móviles, como Apple Pay o Google Pay.

3. **How interested are you in OCTA providing enhanced new fare options?**
¿Cuánto le interesa que OCTA ofrezca nuevas opciones de tarifa mejoradas?

- ☐ Very Interested | *Me interesa mucho*
- ☐ Interested | *Me interesa*
- ☐ Not Sure | *No estoy seguro/a*
- ☐ Not Very Interested | *No me interesa mucho*
- ☐ Not At All Interested | *No me interesa para nada*

When using the proposed smart card or new mobile app, OC Bus plans to ensure customers always pay the lowest price for their ride – known as "fare capping."

Instead of buying a day or monthly pass, riders would pay as they go for each individual trip – and once they reach the cost of a day or monthly pass, any additional trips for that period are at no cost.

Riders can know that they are guaranteed the best fare for their rides – without having to buy a day or monthly pass up front.

Al usar la tarjeta inteligente o la nueva aplicación móvil propuestas, OC Bus planea garantizar que los clientes siempre paguen el precio más bajo por su viaje. Esto se conoce como "tarifa límite."

En lugar de comprar un pase diario o mensual, los usuarios pagarán por cada viaje individual, una vez alcanzado el importe de un pase diario o mensual, los viajes adicionales de ese período serán gratuitos.

Los pasajeros pueden estar seguros de que obtendrán la mejor tarifa para sus viajes, sin que tengan que comprar un pase por adelantado por día o por mes por adelantado.

4. **Are you interested in "fare capping," which ensures you're always paying the best fare when using OC Bus?**
¿Le interesa la "tarifa límite" que garantiza que siempre pague la mejor tarifa al usar OC Bus?

- ☐ Very Interested | *Me interesa mucho*
- ☐ Interested | *Me interesa*
- ☐ Not Sure | *No estoy seguro/a*
- ☐ Not Very Interested | *No me interesa mucho*
- ☐ Not At All Interested | *No me interesa para nada*

Alongside a mobile app, existing paper passes would be replaced with a physical smart card. This smart card will be reusable and reloadable, similar to systems used by other transit agencies. Once your smart card is linked to your account, losing the card won't result in losing the stored value. You can easily connect your account to a new card to retain your balance.

While the mobile app is free, there's a small one-time cost to purchase the smart card (between $2 and $4). The smart card will last as long as ten years.

Junto con una aplicación móvil, los pases de papel existentes se reemplazarán con una tarjeta inteligente física. Esta tarjeta inteligente será reutilizable y recargable, similar a los sistemas que utilizan otras agencias de tránsito. Una vez que la tarjeta inteligente se vincule a su cuenta, si pierde la tarjeta no perderá el valor guardado. Puede conectar fácilmente su cuenta a una nueva tarjeta para conservar su balance.

Aunque la aplicación móvil es gratuita, hay un pequeño costo único para comprar la tarjeta inteligente (entre $2 y $4). La tarjeta inteligente durará un máximo de diez años.

5. **Are you interested in purchasing a reuseable smart card?**
¿Le interesa adquirir una tarjeta inteligente reutilizable?

- ☐ Very Interested | *Me interesa mucho*
- ☐ Interested | *Me interesa*
- ☐ Not Sure | *No estoy seguro/a*
- ☐ Not Very Interested | *No me interesa mucho*
- ☐ Not At All Interested | *No me interesa para nada*

The smart cards will be available for purchase at the OCTA store or retail locations, such as 7-Eleven, CVS, and Dollar Tree. The smart cards will be available at more than 400 locations throughout Orange County.

Las tarjetas inteligentes estarán disponibles para comprar en la tienda de OCTA o en establecimientos comerciales, como 7-Eleven, CVS y Dollar Tree. Las tarjetas inteligentes estarán disponibles en más de 400 lugares en todo el condado de Orange.

6. **Are you interested in smart cards being available for purchase at retail locations?**
¿Le interesa que las tarjetas inteligentes estén disponibles para comprar en lugares de venta minorista?

- ☐ Very Interested | *Me interesa mucho*
- ☐ Interested | *Me interesa*
- ☐ Not Sure | *No estoy seguro/a*
- ☐ Not Very Interested | *No me interesa mucho*
- ☐ Not At All Interested | *No me interesa para nada*

Customers will be able to add value to the smart card using a credit or debit card through their online account. To reload the smart card with cash, customers can visit a participating retail vendor.

Los clientes podrán agregar valor a la tarjeta inteligente usando una tarjeta de crédito o débito a través de su cuenta en línea. Para recargar la tarjeta inteligente con efectivo, los clientes pueden visitar un comercio minorista participante.

7. **Are you interested in being able to reload the smart card with cash at retail locations?**
¿Le interesa poder recargar la tarjeta inteligente con efectivo en comercios minoristas participantes?

- ☐ Very Interested | *Me interesa mucho*
- ☐ Interested | *Me interesa*
- ☐ Not Sure | *No estoy seguro/a*
- ☐ Not Very Interested | *No me interesa mucho*
- ☐ Not At All Interested | *No me interesa para nada*

Proposed New Fare Media PIP Survey Open-Ended Comments

C. Survey comments feedback for Proposed New Fare Media

www.OCTA.net/ProposedNewFareMediaSurveyComments

In-Person / Virtual Community Meetings

D. Customer Comments from Community Meetings

www.OCTA.net/ProposedNewFareMediaCommunityMeetingsSummary

Individual community meeting summaries for:

- Virtual English Zoom Meeting (2/4/2025)
- Virtual Spanish Zoom Meeting (2/5/2025)
- Norman Hertzog Community Center (Costa Mesa) (2/11/2025)
- Virtual Vietnamese Zoom Meeting (2/12/2025)
- Laguna Hills Community Center (2/12/2025)
- Fullerton Community Center (2/13/2025)
- Santa Ana College (2/20/2025)

Public / Customer Comments

E. Public Hearing Comments (March 24, 2025)

www.OCTA.net/ProposedNewFareMediaPublicComments

F. Customer Comments Received (Email, Phone, Social Media)

www.OCTA.net/ProposedNewFareMediaCustomerComments

G. Customer Roundtable (March 4, 2025)

www.OCTA.net/ProposedNewFareMediaCustomerRoundtable

H. Social Service Agency Roundtable (March 18, 2025)

www.OCTA.net/ProposedNewFareMediaSSARoundtable

OCTA Advisory Committees

I. Citizen Advisory Committee Meeting (January 21, 2025)

www.OCTA.net/ProposedNewFareMediaCACMeetingMins

J. Accessible Transit Advisory Committee Meeting (January 28, 2025)

www.OCTA.net/ProposedNewFareMediaATACMeetingMins



Proposed New Fare Media

Background

- In October 2023, the Board approved the implementation of a new rider validation system (RVS)
  - RVS proposes the implementation of contactless smart cards
- In order to implement contactless smart cards, OCTA is required by the FTA to conduct a Title VI analysis
  - Title VI analysis ensures low income and minority riders are not negatively impacted by the change in fare media
- In January 2025, OCTA kicked off the Title VI analysis and public involvement process for implementation of the proposed fare media

Board – Board of Directors
FTA – Federal Transit Authority
OCTA – Orange County Transportation Authority

Wave Card Features

- New Wave Card replaces magnetic stripe paper passes*
  - Upfront Cost - $2.00 - $4.00
  - Available at OCTA Store and Retail Network
- Virtual card option via mobile application
- Fare Capping functionality
  - Pay-per-ride – Always pay the lowest fare
  - No upfront cost for monthly passes
- Free two-hour transfers
- Balance protection and auto-reload



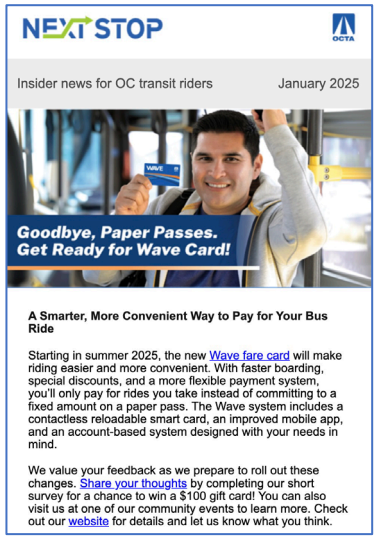
* OCTA will continue to offer cash and credit card payment options for fare purchases and reloads.

Title VI Compliance

- Title VI of the Civil Rights Act of 1964 prohibits discrimination based on race, color, or national origin
- FTA requires an equity analysis for major fare/service changes to avoid disparate impacts or disproportionate burdens
- FTA Circular 4702.1B guides how OCTA evaluates impacts on minority and low-income populations
- OCTA Fare Policy: impacts must be less than ten percent compared to counterparts
- Requires public outreach including a public involvement plan and public hearing
- All changes reviewed under Title VI equity analysis

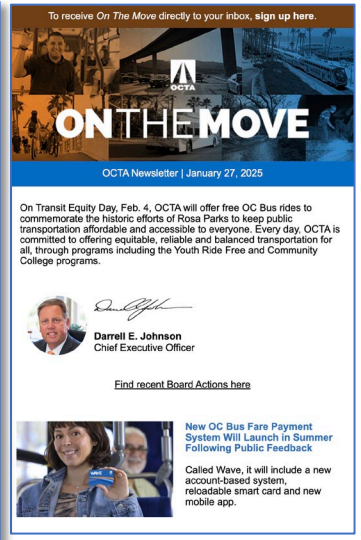
Public Involvement Highlights



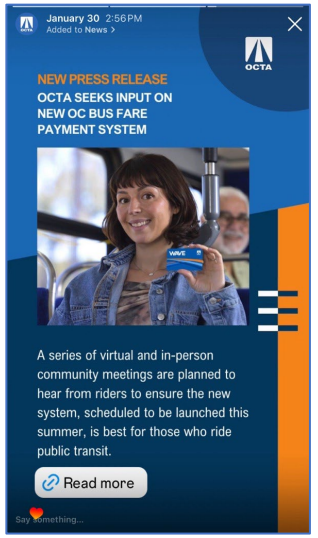














- Ten-week, outreach Campaign
- March 24, 2025, Public Hearing
- Multilingual Outreach approach: English, Spanish, Vietnamese, Korean, Mandarin
- **83 percent of respondents expressed strong support for Wave card**

Title VI Analysis Conclusion

- No disparate or disproportionate impacts found
- Fare capping provides lower prices for everyone
- Retail network expanded to 400+ retail locations (compared with 100+ currently)
- Better coverage in minority and low-income areas
  - From 45 percent → 48 percent in low-income areas
  - From 47 percent → 57 percent in minority areas
- Helps offset any inconvenience from removing on board day pass sales
- Wave card confirmed as equitable and accessible

Next Steps

- Functional Integrated Testing (May – August 2025)
  - New Mobile Application
  - Institutional and Customer Websites
  - Revenue Management System and Customer Relations Module
  - Retail Network
- Public Awareness Campaign and Education (May – September 2025)
- Pilot Testing (August – September 2025)
- System Launch (October 2025)