

Orange County Transportation Authority

Board Agenda Monday, April 28, 2025 at 9:30 a.m.

550 South Main Street, Orange, California

Board Members

Doug Chaffee, Chair Jamey M. Federico, Vice Chair Valerie Amezcua Mike Carroll Katrina Foley 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

Accessibility

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 Wagner

Pledge of Allegiance

Director Janet Nguyen

Closed Session

There are no Closed Sessions scheduled.

Special Calendar

Orange County Transportation Authority Special Calendar Matters

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

Overview

Present Orange County Transportation Authority resolutions of Appreciation to Phil Polanco, Coach Operator, Resolution No. 2025-027; Dexter Ta, Maintenance, Resolution No. 2025-028; and Phil Zirges, Administration, Resolution No. 2025-029 as Employees of the Month for April 2025.

2. Update on 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

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

Consent Calendar (Items 3 through 15)

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

3. Approval of Minutes

Clerk of the Board

Recommendation(s)

Approve the minutes of the April 14, 2025 Orange County Transportation Authority and affiliated agencies' regular meeting.

Attachments:

Minutes

4. Fiscal Year 2024-25 Internal Audit Plan, Third Quarter Update

Janet Sutter

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan on July 22, 2024. This report provides an update on activities for the third quarter of the fiscal year.

Recommendation(s)

Receive and file the third quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan as an information item.

Attachments:

Transmittal

Staff Report

Attachment A

Attachment B

Attachment C

5. Orange County Transportation Authority Investment and Debt Programs Report - February 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 February 28, 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

6. Approval of the Fiscal Year 2025-26 Local Transportation Fund Claim for Laguna Beach Public Transportation Services

Sam Kaur/Andrew Oftelie

Overview

The Laguna Beach Municipal Transit Lines, a department within the City of Laguna Beach, is eligible to receive funding from the Local Transportation Fund in Orange County for providing public transportation services throughout the city. To receive the funds, the Laguna Beach Municipal Transit Lines must file a claim against the Local Transportation Fund with the Orange County Transportation Authority.

Recommendation(s)

- A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2025-26 Local Transportation Fund Claim for public transportation services in the amount of \$1,495,895.
- B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County

Auditor-Controller in the amount of the claim.

Attachments:

Transmittal

Staff Report

7. State Transit Transportation Task Force Update

Dulce Mejicanos/Kristin Jacinto

Overview

A summary is provided of the State's Transit Transformation Task Force's recent work and policy recommendations being discussed on the future of transit. These recommendations address key issues such as transit service improvements, funding, fare coordination, workforce development, and infrastructure investments. The State Transit Transformation Task Force will submit a final report to the Legislature by October 31, 2025.

Recommendation(s)

Receive and file as an information item.

Attachments:

Transmittal

Staff Report

Attachment A

8. 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. Staff recommends a support position on legislation related to interoperability with out-of-state electronic toll collection systems. Staff recommends an oppose position on legislation that imposes new mandates on transit district board compensation and governance structure.

Recommendation(s)

- A. Adopt a SUPPORT position on AB 334 (Petrie-Norris, D-Irvine), which would facilitate interoperability with out-of-state electronic toll collection systems.
- B. Adopt an OPPOSE position on AB 1070 (Ward, D-San Diego), which would impose new mandates on transit district board compensation and governance structures.

Attachments:

BOARD MEETING AGENDA

Transmittal

Staff Report

Attachment A

Attachment B

Attachment C

9. 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 report includes an update on Environmental Protection Agency actions related to the endangerment finding for greenhouse gas emissions and waivers granted to California to enforce air quality regulations, a summary on the confirmation of the Administrator of the Federal Transit Administration and a summary of the Secretary of Transportation Sean Duffy's participation in a Senate Environment and Public Works Committee hearing on transportation reauthorization.

Recommendation(s)

Receive and file as an information item.

Attachments:

Transmittal

Staff Report

Attachment A

Orange County Transit District Consent Calendar Matters

10. Agreement for Replacement of Mechanical Units at the Santa Ana Bus Base

George Olivo/James G. Beil

Overview

Mechanical units, including heating, ventilation and air conditioning units, heating and ventilation make-up air units, exhaust fan units, and bus vacuum units at the Santa Ana Bus Base require replacement to maintain quality of the work environment, bus maintenance operations, and overall state of good repair compliance. An invitation for bids was released on November 25, 2024, for the replacement of mechanical units at the Santa Ana Bus Base. Bids were received in accordance with procurement procedures for public works projects. Board of Directors' approval is requested to execute the agreement.

Recommendation(s)

A. Find ACCO Engineered Systems, Inc., doing business as ACCO Engineered Systems, the apparent low bidder, as non-responsive due to failure to provide complete information on the superintendent and experience for the past three years as required by the bid documents on the Information Required of Bidder form.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2550 between the Orange County Transportation Authority and NKS Mechanical Contracting, Inc., the lowest responsive, responsible bidder, in the amount of \$4,593,000, for the replacement of mechanical units at the Santa Ana Bus Base.

Attachments:

Transmittal
Staff Report

11. Approval of the Fiscal Year 2025-26 Local Transportation Fund Claim for Public Transportation and Community Transit Services

Sam Kaur/Andrew Oftelie

Overview

The Orange County Transit District is eligible to receive funding from the Local Transportation Fund for providing public transportation and community transit services throughout Orange County. To receive the funds, the Orange County Transit District must file a claim against the Local Transportation Fund with the Orange County Transportation Authority.

Recommendation(s)

- A. Approve the Orange County Transit District Fiscal Year 2025-26 Local Transportation Fund Claim for public transportation services in the amount of \$208,460,790, and for community transit services in the amount of \$11,050,352 for a total claim amount of \$219,511,142.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

Attachments:

Transmittal
Staff Report

Orange County Local Transportation Authority Consent Calendar Matters

12. Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Buena Park

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Buena Park and the Orange County Transportation Authority. Based on the procedures performed, the City of Buena Park repaid misspent Local Fair Share funds, obtained an unmodified (clean) opinion on its Annual Comprehensive Financial Report for the Year Ended 2024, spent sufficient funds to meet required minimum maintenance of effort expenditures, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance.

BOARD MEETING AGENDA

Recommendation(s)

Receive and file as an information item.

Attachments:

Transmittal

Staff Report

Attachment A

13. Independent Accountant's Report on Applying Agreed-Upon Procedures, City of Orange

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 maintenance of effort expenditures by the City of Orange for the fiscal year ended June 30, 2024. Based on the procedures performed, the City of Orange spent sufficient funds to meet the required minimum expenditures outlined in a settlement agreement between the City of Orange and the Orange County Transportation Authority.

Recommendation(s)

Direct staff to develop recommendations for Board of Directors' action related to the status of the City of Orange's Measure M2 eligibility.

Attachments:

Transmittal

Staff Report

Attachment A

14. Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2024

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to nine cities and the County of Orange, and Senior Mobility Program funds provided to five cities, for the fiscal year ended June 30, 2024. Local Fair Share program reports include observations of disallowed Local Fair Share and maintenance of effort expenditures, expenditure report errors, an incomplete Capital Improvement Program report, and expenditure reports lacking project detail. Senior Mobility Program reports included observations relating to expenditure report errors, late submission of a monthly report, and overcharging for administrative costs.

Recommendation(s)

- A. Direct staff to monitor implementation of corrective actions by cities.
- B. Direct staff to review with legal counsel the results of agreed-upon procedures applied to the City of Huntington Beach and develop recommendations for Board of Directors' consideration to address the exception related to disallowed Local Fair

Share expenditures.

- C. Direct staff to follow up with the City of Mission Viejo to obtain a revised Measure M2 Expenditure Report, evaluate whether administrative costs related to the Senior Mobility Program exceeded the ten percent threshold, and, if applicable, recover the overage.
- D. Direct staff to consult with legal counsel, develop guidelines for allowable uses of Local Fair Share funds for "other transportation purposes" and provide communication to cities.

Attachments:

Transmittal

Staff Report

Attachment A

Attachment B

Attachment C

Attachment D

15. Orange County Local Transportation Authority Report on Compliance with the Measure M2 Ordinance, Year Ended June 30, 2024

Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has issued results of its audit of the Orange County Local Transportation Authority's compliance with the Measure M2 Ordinance for the year ended June 30, 2024. The auditors found that the Orange County Local Transportation Authority complied, in all material respects, with the compliance requirements of the Measure M2 Ordinance for the year ended June 30, 2024. In addition, no reportable deficiencies in internal control over compliance were identified.

Recommendation(s)

- A. Receive and file as an information item.
- B. Approve a request from the Measure M2 Taxpayer Oversight Committee to conduct Measure M2 compliance audits on an annual basis. If approved, authorize an increase in contract budget of \$400,000 for fiscal years 2024-25 and 2025-26 under Agreement No. C-3-2931 with Crowe LLP, increasing the maximum obligation to \$2,185,500.

Attachments:

Transmittal

Staff Report

Attachment A

Regular Calendar

Orange County Transit District Regular Calendar Matters

16. Proposed Fiscal Year 2025-26 Southern California Regional Rail Authority Budget Megan Taylor/Johnny Dunning, Jr.

Overview

Metrolink staff will present an overview (with presentation) of the draft Southern California Regional Rail Authority Fiscal Year 2025-26 Budget, including the Orange County Transportation Authority's proposed share of operating, rehabilitation, and capital expenses for Metrolink regional rail service.

Recommendation(s)

Receive and file as an information item.

Attachments:

Presentation

Discussion Items

- 17. Public Comments
- 18. Chief Executive Officer's Report
- 19. Directors' Reports
- 20. Adjournment

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

9:30 a.m., on Monday, May 12, 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) 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) followed by sand nourishment
3	204.07 – 204.34	Steep bluffs with high potential for failure that could impact rail infrastructure	1400-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 (1,400 tons) and 1200-ft shoreline protection structure followed by sand nourishment



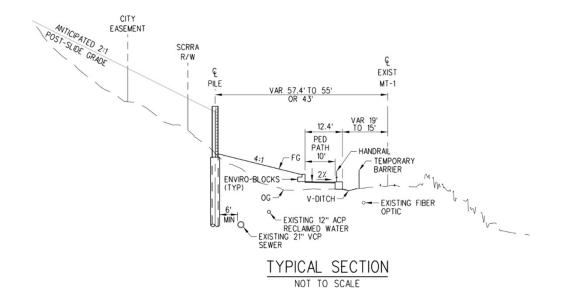
MP - Mile Post

Area 1 and 2 Riprap and Area 3 Catchment Wall Activities

- The California Transporation Commission (CTC) took emergency action to allocate funds for Areas 1, 2 and 3 (bridge removal) on April 16
- Partial emergency Coastal Development permit executed on April 17
- Finalized Cooperative Agreement with the Southern California Regional Rail Authority (SCRRA) for implementing the above work on April 22
- Met with SCRRA and their contractor to plan out the above work
- Investigated and identified material availability
- Coordinated with the California Coastal Commission (CCC) to follow up on the requirements
- Coordinated with the California State Lands Commission on their jurisdiction
- Received the State Water Board permit for emergency repairs and protection activities on April 21

Area 3 Catchment Wall Activities

- Issued Request for Proposals (RFP) to a design-build contractor on April 14
- Issued RFPs to an independent geotechnical engineering consultant and to a coastal engineering consultant
- Coordination meetings with the CCC and furnished data requested
- Working with the Federal Railroad Administration on funding allocation and environmental clearance
- Anticipate the CCC meeting on May 7 to consider the standard Coastal Development Permit (CDP)
- Anticipate the CTC meeting on May 15 and 16 to allocate additional funds



R/W - Right-of-Way VAR - Varies

MT-1 - Main Track 1 CL - Centerline

OR - Offset from Rail

PED - Pedestrian % - Percent

FG - Final Grade OG - Original Grade

V-DITCH – V Shaped Ditch

TYP - Typical MIN - Minimum

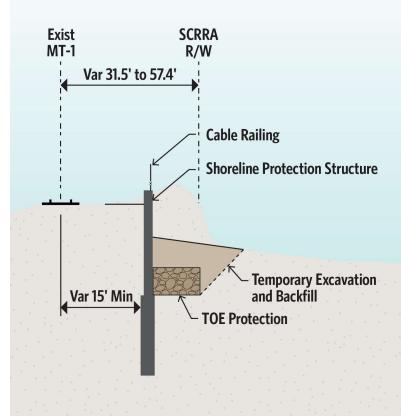
ACP - Asbestos Cement Pipe

VCP - Vitrified Clay Pipe

ENVIRO - Environmental

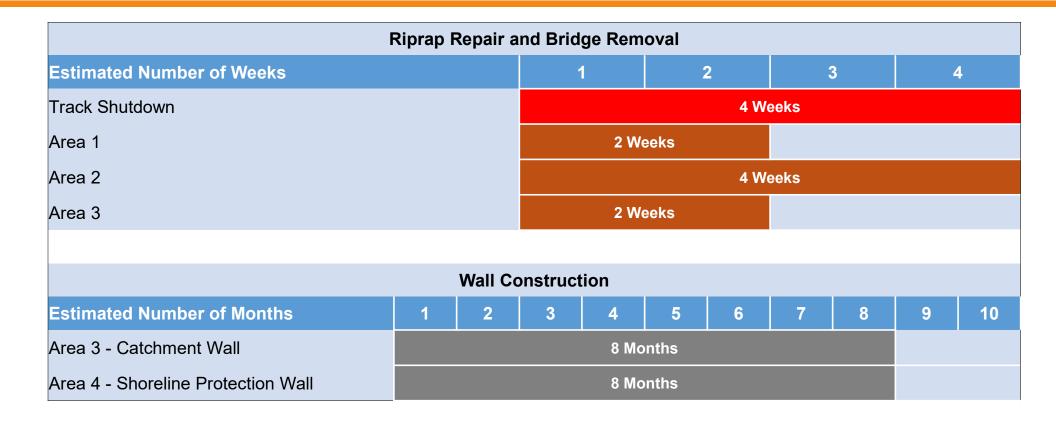
Area 4 Shoreline Protection Structure Activities

- Met with the CCC to go over the emergency actions needed at this location
- Provided additional photos and provided revised cross-sections to address the CCC comments
- The CCC indicated on April 16 an emergency situation has not been demonstrated
- The CCC recommends completing the CDP submitted by the Orange County Transportation Authority (OCTA) in 2024, and has requested an alternatives analysis and inclusion of coastal modeling



Area 4 - Shoreline Protection Structure

Estimated Schedule



Sand Placement

- Industry request for information for potential sand dredging contractors extended to May 5 due to a lack of responses
- OCTA is securing environmental clearance for offshore source dredging and placement of sand for Areas 1, 2, and 4
- OCTA utilizing previous studies by the City of San Clemente to streamline process
- Evaluating Surfside-Sunset sand borrow source and other nearby offshore sand sources in partnership with City of San Clemente
- · Preliminary Schedule:
 - Environmental and Final Design Approvals: Anticipated Q4 of 2025
 - Invitation for Bids: 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





Pictures from San Clemente Sand Replenishment Project

Funding Sources

Coastal Rail Stabilization Priority Project						
Coastal Rail Infrastructure Resiliency Project (Four Hot Spots)	Original Programmed	Current Programmed	Current Allocated			
Project Approval/Environmental Document	Amount	Amount				
Local Transportation Climate Adaptation Program	\$3,820,000	\$3,820,000	\$3,820,000			
Measure M2/OC Go	\$ 960,000	\$ 960,000	\$ 960,000			
Subtotal	\$4,780,000	\$4,780,000	\$4,780,000			
Final Design and Construction						
SB 125 Transit Program	\$3,800,000	\$3,800,000				
Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program	\$100,000,000	\$96,969,000 ¹				
SB 1 Trade Corridor Enhancement Program Advanced Programming	\$80,000,000	\$80,000,000	\$4,992,000			
2024 Transit and Intercity Rail Capital Program	\$125,000,000	\$125,000,000	\$4,992,000			
Subtotal	\$308,800,000	\$305,769,000	\$9,984,000			
1 - Programmed amount for CRISI is expected to reduce due to non-federalization of Area 1, 2, & 3 (bridge removal)	. ,	,	. ,			
Project Total	\$313,580,000	\$310,549,000	\$14,764,000			

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 April 14, 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

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

Directors Absent: Mike Carroll

Patrick Harper

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

Allison Cheshire, Clerk of the Board Specialist, Senior

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 and Returning Orange County Transportation Authority Board of Directors

James Donich, General Counsel, administered the Oath of Office to new Board Member Kathy Tavoularis and returning Board Member Tam T. Nguyen.



2. Adopt 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

A motion was made by Director Tettemer, seconded by Director Foley, and following a roll call vote, declared passed 15-0,

- A. Adopt 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.
- B. Authorize the Chief Executive Officer to take any and all necessary actions in regard to agreements with partner public agencies 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.
- C. Amend the Orange County Transportation Authority's Fiscal Year 2024-25 Budget by \$135,000,000, to accommodate the additional budget needed for the Coastal Rail Stabilization Priority Project.

Consent Calendar (Items 3 through 19)

3. Approval of Minutes

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to approve the minutes of the March 24, 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 Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, 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. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2024, Internal Audit Report No. 25-511

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to direct staff to implement a recommendation provided in Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2024, Internal Audit Report No. 25-511.

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

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Cooperative Agreement No. C-0-2330 between the Orange County Transportation Authority and the County of Orange, Orange County Sheriff's Department, in the amount of \$209,876, for the initial request of OC Streetcar Transit Police Services, effective May 2, 2025 through June 30, 2025. This will increase the maximum obligation of the agreement to a total contract value of \$12,869,312.

7. Fiscal Year 2024-25 Second Quarter Budget Status Report

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to receive and file as an information item.

8. Sole Source Agreement for Health Insurance Brokerage Services

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-5-3980 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$640,000, for a five-year term, effective June 1, 2025 through May 31, 2030, to provide health insurance brokerage services.



9. Capital Programming Update

Public comments were received via email from John Brock, Emilio Martinez, Josh Moore, Anjali Tapadia, JH Zeck, Ellory Smith, David Martinez, Marc Vukcevich, Yoseff Kaddeche, and Andrew Reyes and were emailed to the Board of Directors on April 13, 2025.

Public comments were heard from Russell Toles, Peter Warner, Kyle Trivanovich, Tony Pelleriti, and David Martinez.

A motion was made by Chair Chaffee, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to:

- A. Authorize the use of up to \$180.584 million to fund the construction phase and adjust costs associated with prior phases for the State Route 55 Improvement Project from Interstate 5 to State Route 91 (Project F) using Measure M2 funding.
- B. Authorize the use of up to \$334.367 million to fund the construction phase and adjust costs associated with prior phases for the State Route 91 Improvement Project from La Palma Avenue to State Route 55 (Segment 2) (Project I), using the following funding sources:
 - 91 Express Lanes Excess Revenue (\$323.726 million)
 - Local Partnership Program Formulaic (\$6.641 million)
 - Community Project Funding / Congressionally Directed Spending (\$4.000 million)
- C. Authorize the use of up to an additional \$132.149 million to supplement the construction funding and prior phase funding for the Interstate 5 Improvement Project from Interstate 405 to Yale Avenue (Segment 1) (Project B) using Measure M2 funding.
- D. Authorize the use of up to an additional \$80.172 million to supplement the construction funding and prior phase funding for the State Route 91 (Segments 1 and 3) (Project I) using 91 Express Lanes Excess Revenue.
- E. Authorize the use of up to an additional \$14.699 million to supplement the construction funding and prior phase funding for the Interstate 605/Katella Avenue Interchange Project (Project M) using Measure M2 funding.
- F. Authorize the inclusion of \$39.251 million in committed State Highway Operations and Protection Program funds and an additional \$22.769 million in uncommitted future state funds to integrate the California Department of Transportation Multi-Asset Project into the Capital Funding Program report for:



- Interstate 5 Improvement Project between Interstate 405 and Yale Avenue (Segment 1) (Project B) (\$36.400 million in committed State Highway Operations and Protection Program funds and \$13.744 million in uncommitted future state funds)
- State Route 91 Improvement Project from Acacia Street to La Palma Avenue (Segment 3) (Project I) (\$2.851 million in committed State Highway Operations and Protection Program funds and \$9.025 million in uncommitted future state funds)
- G. Authorize the use of up to \$8.000 million for the Inland Slope Rehabilitation Phase II Project from the following fund sources:
 - Measure M2 (\$5.600 million)
 - Local Partnership Program Formulaic (\$2.400 million)
- H. Authorize the use of up to \$12.830 million in Congestion Mitigation and Air Quality Improvement funds for the Future Zero-Emission Bus Project.
- I. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

10. Active Transportation Program Biannual Update

Public comments were received via email from John Brock, Josh Moore, Anjali Tapadia, and JH Zeck and were emailed to the Board of Directors on April 13, 2025.

Public comments were heard from Brian Yanity, Tony Pelleriti, and David Martinez.

No action was taken on this informational item.

11. Amendments to the Master Plan of Arterial Highways

Public comments were received via email from John Brock, Josh Moore, Anjali Tapadia, and JH Zeck and were emailed to the Board of Directors on April 13, 2025.

Public comments were heard from Scott Smith, Ralph Taboada, Mike Buley, Staffan Akerstrom, Raja Setheraman, Chris Burton, Peter Warner, and David Martinez.

A substitute motion was made by Vice Chair Federico, seconded by Director T. Nguyen, and following a roll call vote, declared passed 10-5, to continue recommendations A & B for 30 days and approve recommendations C, D, and E.

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. Approve amending the Master Plan of Arterial Highways to accommodate the following requests:
 - 1. City of Anaheim: Remove Weir Canyon Road between Blue Sky Road and State Route 241 (not constructed).
 - 2. City of Costa Mesa: Reclassify Merrimac Way from a primary (fourlane, divided) arterial to a divided collector (two-lane, divided) arterial between Harbor Boulevard and Fairview Road.
 - 3. City of Irvine: Reclassify Yale Avenue from a secondary (four-lane, undivided) arterial to a collector (two-lane undivided) arterial between Michelson Drive and University Drive.
 - 4. City of Stanton: Reclassify Orangewood Avenue from a secondary (four-lane, undivided) arterial to a divided collector (two-lane divided) arterial between Santa Rosalia Street and the eastern city boundary.

The Master Plan of Arterial Highways will be amended to reflect each approved request contingent upon receipt of documentation confirming that all affected general plans are consistent with the proposed amendment and are compliant with the California Environmental Quality Act. Amendment requests will expire if the Orange County Transportation Authority does not receive such documentation within three years of granting approval.

Should the proposed Master Plan of Arterial Highways amendment be modified for any reason after receiving approval, the modified Master Plan of Arterial Highways amendment must be returned to the Orange County Transportation Authority Board of Directors for reconsideration and action.

- D. 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.
- E. Receive and file a status report of ongoing Master Plan of Arterial Highways coordination activities.

Director Foley noted that she supports recommendations C, D, and E.



12. Low Carbon Transit Operations Program Recommendations for OC Bus Transit Projects

Public comments were received via email from John Brock, Josh Moore, Anjali Tapadia, JH Zeck, and Ellory Smith and were emailed to the Board of Directors on April 13, 2025.

Public comments were heard from Tony Pelleriti and David Martinez.

A motion was made by Director Sarmiento, seconded by Director Foley, and following a roll call vote, declared passed 15-0, to:

- A. Approve Resolution No. 2025-015 to authorize the use of \$10,144,185 in fiscal year 2024-25 Low Carbon Transit Operations Program funds for the Youth Ride Free Program.
- B. Authorize staff to request the California Department of Transportation to approve a Letter of No Prejudice for use of local funds until the Low Carbon Transit Operations Program funds are awarded, currently expected to be December 1, 2025.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program as well as negotiate and execute any necessary agreements and/or amendments to agreements with regional, state, or federal agencies to facilitate the recommendations above.

13. Transit Field Supervision, Internal Audit Report No. 25-508

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to receive and file Transit Field Supervision, Internal Audit Report No.25-508, as an information item.

14. Approval to Release Request for Proposals for Construction Management Support Services for the Interstate 5 Improvement Project Between Interstate 405 and Yale Avenue

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 5-3961 for the selection of a consultant to provide construction management support services for the Interstate 5 Improvement Project between Interstate 405 and Yale Avenue.
- B. Approve the release of Request for Proposals 5-3961 to provide construction management support services for the Interstate 5 Improvement Project between Interstate 405 and Yale Avenue.



15. Cooperative Agreement with the California Department of Transportation for the State Route 91 Improvement Project Between La Palma Avenue and State Route 55

Public comments were received via email from John Brock, Emilio Ramirez, Josh Moore, Anjali Tapadia, JH Zech, Ellory Smith, David Martinez, Marc Vukcevich, Youseff Kaddeche, and Andrew Reyes. They were emailed to the Board of Directors on April 13, 2025.

Public comment was heard from Tony Pelleriti.

A motion was made by Director Foley, seconded by Director Hennessey, and following a roll call vote, declared passed 14-0, to

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-5-3985 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$269,504,000, comprised of a construction capital share of \$230,314,000 and a construction management services share of \$39,190,000 for the State Route 91 Improvement Project between La Palma Avenue and State Route 55.

Director Sarmiento was not present to vote on this item.

16. Amendment to Cooperative Agreement with the California Department of Transportation for the State Route 55 Improvement Project Between Interstate 5 and State Route 91

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-3-2465 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$1,042,000, for additional right-of-way support services, right-of-way engineering, right-of-way acquisition, and utility relocation for the State Route 55 Improvement Project between Interstate 5 and State Route 91. This will increase the maximum cumulative obligation of the cooperative agreement to a total contract value of \$7,087,000.

17. Amendment to Agreement for Additional Design Services for State Route 91 Improvement Project Between Acacia Street and La Palma Avenue

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-0-2073 between the Orange County Transportation Authority and T.Y. Lin International, in the amount of \$2,232,131, for additional design services for the State Route 91 Improvement Project between Acacia Street and La Palma Avenue. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$13,945,033.



18. Approval to Release Request for Proposals for Program Management and Construction Management Services for Improvements to Orange County Transportation Authority Headquarters Property

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 5-3977 to select a firm to provide consultant services for program management and construction management services for improvements to the new Orange County Transportation Authority headquarters property.
- B. Approve the release of Request for Proposals 5-3977 for consultant services for program management and construction management for improvements to the new Orange County Transportation Authority headquarters property.

19. Amendment to Agreement for Security Officer Services

A motion was made by Director Foley, seconded by Director Klopfenstein, and following a roll call vote, declared passed 15-0, to:

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

20. Comprehensive Transportation Funding Programs - 2025 Call for Projects Programming Recommendations

Public comments were received via email from John Brock, Emilio Ramirez, Josh Moore, Anjali Tapadia, and JH Zech and were emailed to the Board of Directors on April 13, 2025.

Public comments were heard from Tony Pelleriti and David Martinez.



A motion was made by Director Foley, seconded by Director Hennessey, and following a roll call vote, declared passed 14-0, to:

- A. Approve the award of \$25.72 million in 2025 Regional Capacity Program (Project O) funds to nine local jurisdiction projects.
- B. Approve the award of \$11.99 million in 2025 Regional Traffic Signal Synchronization Program (Project P) funds to six local jurisdiction projects.

Director Sarmiento was not present to vote on this item.

Discussion Items

21. Public Comments

Public comments were received via email from Joel Medina and Yui Saito and were emailed to the Board of Directors on April 13, 2025.

Public comments were heard from Brian Yanity, Peter Warner, Paul Hyek, and Manuel M. Pineda.

22. Chief Executive Officer's Report

Darrell E. Johnson, Chief Executive Officer (CEO), reported on the following:

OCTA received the 2025 Bus Safety, Security, and Emergency Management Award from the American Public Transportation Association.

23. Directors' Reports

There were no Directors' Reports.

24. Adjournment

The meeting adjourned at 12:06 p.m.

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

9:30 a.m., on Monday, April 28, 2025 OCTA Headquarters Board Room 550 South Main Street, Orange, California





ATTEST:		
Gina Ramir	ez lerk of the Board	





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Fiscal Year 2024-25 Internal Audit Plan, Third Quarter Update

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Receive and file the third quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan as an information item.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director, Internal Audit Department

Subject: Fiscal Year 2024-25 Internal Audit Plan, Third Quarter Update

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan on July 22, 2024. This report provides an update on activities for the third quarter of the fiscal year.

Recommendation

Receive and file the third quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan as an information item.

Background

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management in the discharge of its duties and responsibilities.

Internal Audit performs a wide range of auditing services that include overseeing the annual financial and compliance audits, conducting operational and contract compliance reviews, investigations, pre-award price reviews, and Buy America reviews. In addition, audits initiated by entities outside of OCTA are coordinated through Internal Audit.

Discussion

The OCTA Internal Audit Department Fiscal Year (FY) 2024-25 Internal Audit Plan (Plan) reflects the status of each project (Attachment A).

During the third quarter, Internal Audit issued results of an audit of compensation. Based on the audit, policies, procedures, and controls over employee compensation actions are in place and operating effectively; however, recommendations were made to strengthen controls to ensure compliance with the temporary salary increases policy and to improve documentation supporting incentive calculations and cell phone allowance. Management agreed to ensure sufficient support for temporary salary increases, incentive calculations, and cell phone allowance assessments are maintained on file.

An audit of the agreement with Cofiroute USA, LLC (Cofiroute) for operation of the 91 Express Lanes was also issued and concluded that, while management exercises oversight of Cofiroute, improvements are necessary. Recommendations were made to enforce all contract requirements, develop and implement procedures for penalty waivers, improve performance reporting, and enhance invoice review controls. Management agreed and will implement the recommendations.

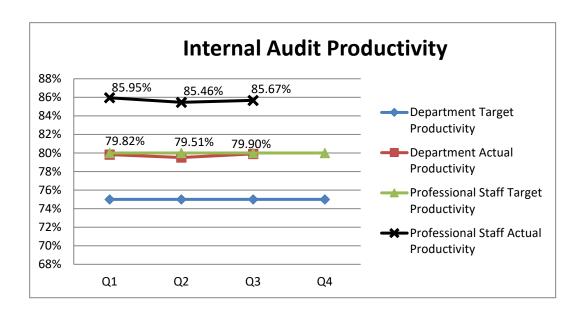
Also, during the quarter, the semi-annual audit of investments was completed and found OCTA complied with its debt, investment, and reporting policies and procedures; however, one recommendation was made to accurately identify variable and floating rate securities in monthly reports. Management agreed to enhance its review process to ensure accuracy in future reports.

Finally, an audit of transit field supervision was issued. The audit found that field supervision activities are effectively performed and recorded and comply with guidelines and standards set by management.

Internal Audit Productivity

Internal Audit measures the productivity of the department by calculating a productivity ratio. The ratio, used broadly throughout the audit industry, measures the amount of time auditors spend on audit projects versus time spent on administrative duties. Productivity goals are established for both the professional staff, and for the department as a whole. Because the executive director regularly participates in non-audit management activities such as planning and committee meetings, the department-wide target is set at 75 percent. The target for internal audit professional staff, not including the executive director, is 80 percent.

As of the third quarter, ended March 31, 2025, Internal Audit has achieved productivity of 79.90 percent, and the professional staff have achieved productivity of 85.67 percent.



Price Reviews

At the request of the Contracts Administration and Materials Management (CAMM) Department, and consistent with OCTA's procurement policy, Internal Audit applies agreed-upon procedures (AUP) to single-bid procurements to ensure that CAMM handled the procurement in a fair and competitive manner. Internal Audit also applies AUPs to prices proposed by architectural and engineering firms and sole source contractors to ensure that the prices are fair and reasonable. During the third quarter, Internal Audit issued results of ten price reviews.

Internal Audit Quality Assurance/Management

During the quarter, an external quality assurance, or peer review, was conducted and found that Internal Audit's quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Generally Accepted Government Auditing Standards for the period January 1, 2022 through December 31, 2024. The independent peer review team, provided through the Association of Local Government Auditors, complimented Internal Audit for achieving high productivity while maintaining quality of work.

Fraud Hotline

During the quarter ended March 31, 2025, Internal Audit received two reports through OCTA's Fraud Hotline, www.ethicspoint.com. One complaint was referred to Human Resources for investigation and the second complaint was referred to customer relations for follow-up. As part of the administration of the hotline, Internal Audit maintains documentation of each complaint and its disposition.

Internal Audit is committed to responding to all hotline complaints within eight business days. During the quarter ended March 31, 2025, Internal Audit made initial contact within two business days.

Findings and Recommendations Tracking

At the request of the Finance and Administration Committee, unresolved audit recommendations are included with the quarterly updates to the Plan (Attachment B). Internal Audit includes the findings and recommendations generated internally, as well as those provided by regulatory auditors and OCTA's independent financial statement auditors.

During the quarter ended March 31, 2025, Internal Audit completed follow-up reviews of ten outstanding recommendations and concluded that three had been adequately addressed (Attachment C). The remaining seven recommendations from the audits of cybersecurity, Transit Police Services, flexible spending accounts, and investments have not yet been fully implemented and will be reviewed again in six months. Follow-up review of another nine recommendations, related to four audits, is still in process as of quarter-end. Seven recommendations were added to the listing as a result of audits issued during the quarter, as summarized above.

Summary

Internal Audit will continue to implement the Plan, report on performance metrics, follow up on outstanding audit recommendations, and report progress on a quarterly basis.

Attachments

- A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan, Third Quarter Update
- B. Outstanding Audit Recommendations, Audit Reports Issued Through March 31, 2025
- C. Audit Recommendations Closed During Third Quarter, Fiscal Year 2024-25

Approved by:

Janet Sutter

Executive Director, Internal Audit

714-560-5591

		Time Quarter operate					
Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Mandatory External Independen	nt Audits						
Annual Financial Audits and Agreed-Upon Procedures (AUP) Reviews		Coordinate and report on annual financial and compliance audits and AUP reviews for FY 2023-24.	Financial	425	306	119	In Process
External Regulatory Audits	FY25-006	Coordinate and report on audits by regulatory or funding agencies.	Compliance	40	1	39	
State Triennial Review	FY24-007	Procure independent audit firm and coordinate and report on results of the required State Triennial Performance audits of the Orange County Transportation Authority (OCTA), Orange County Transit District, and Laguna Beach Municipal Transit Lines.	Compliance	220	152	68	In Process
Internal Audit Department							
Projects Risk Assessment and Annual Audit Plan	FY25-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year, including monitoring the audit results of related entities.		180	50	130	
Quality Assurance and Self-Assessment	FY25-101	Update of Internal Audit Policies & Procedures to reflect Generally Accepted Government Auditing Standards (GAGAS). Annual self assessment of the Internal Audit Department's (Internal Audit) compliance with GAGAS.	Quality Assurance	160	199	(39)	
Fraud Hotline Activities	FY25-102	Administrative duties related to maintenance of the OCTA Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	120	23	97	7 Reports Received
Peer Review	FY25-103	Participate in peer reviews of other internal audit agencies in exchange for reciprocal credit towards required peer review of OCTA's Internal Audit Department for calendar years 2022, 2023, and 2024. Report results of peer review to the Finance and Administration (F&A) Committee and the Board of Directors (Board).	Peer Review	160	71	89	Issued 2-27-25
Automated Workpaper Solution	FY25-104	System updates/training related to automated workpaper solution.	Workpaper System	40	9	31	
Internal Audits							
Organization-Wide							
Legal Services	FY25-503	Assess and test contract compliance and invoice review controls related to the contract with Woodruff and Smart for legal services.	Compliance	200	140	60	Issued 9-9-24
Express Lanes Program							
Operations and Management	FY24-508	Assess and test selected oversight, contract compliance, and/or invoice review controls related to the provision of services by Cofiroute USA, LLP.	Operational/ Compliance	200	433	(233)	Issued 2-3-25

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				Planned	Staff		Status
	Project		Primary Audit	Staff	Hours	Under	(Date
Audit Activity	Number	Description	Туре	Hours	To Date	(Over)	Issued)
Toll Integrator System	FY25-5XX	Assess and test oversight, contract compliance, and invoice review controls related to the contract with Kapsch Trafficom USA, Inc., for the design, implementation, installation, operation, and maintenance of a toll collection system for the existing 91 Express Lanes and 405 Express Lanes.	Internal Control/ Compliance	220		220	
People and Community Engagement							
Compensation	FY25-507	Assess and test policies, procedures, and controls over employee compensation actions.	Operational	320	321	(1)	Issued 1-7-25
Public Outreach - OC Streetcar	FY25-512	Assess and test oversight controls, contract compliance, and invoice review controls related to the agreement for public outreach for the OC Streetcar project.	Internal Control/ Compliance	180	154	26	In Process
Capital Programs							
Interstate 5 (I-5) Improvement Project: Oso Parkway to Alicia Parkway	FY25-501	Assess and test oversight controls, contract compliance, and invoice review controls related to the I-5 Improvement Project: Segment 2 - Oso Parkway to Alicia Parkway.	Internal Control / Compliance	320	271	49	Issued 10-10-24
Project Controls	FY25-513	Assess and test operating controls of the project controls function within the Capital Programs Division.	Operational	240	121	120	In Process
Real Estate Administration	FY25-506	Assess and test real estate administration and controls, including management of contracts.	Operational	240	367	(127)	In Process
Operations							
OC ACCESS Service	FY24-512	Assess adequacy of oversight controls and test oversight, contract compliance, and invoice review controls related to the agreement with First Transit/TransDev for OC ACCESS transportation services.	Operational / Compliance	24	18	6	Issued 8-1-24
OC Streetcar Vehicles	FY25-509	Assess and test procurement, oversight, contract, and/or invoice review controls related to the contract with Siemens for OC Streetcar vehicles.	Operational / Compliance	280	21	259	ON HOLD
Contracted Fixed Route	FY25-510	Assess adequacy of oversight controls and compliance with key provisions of the agreement with Keolis North America, performance standards measurement and reporting, and invoice review controls.	Operational / Compliance	320	293	27	In Process
Field Supervision	FY25-508	Evaluate and test field supervision activities for compliance with policies and procedures.	Operational	240	302	(62)	Issued 2-19-25

Audit Activity	Project Number		Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Finance and Administration							
Treasury	FY25-502	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	250	358	(108)	1 Report Issued
Budget Development and Monitoring	FY25-514	Assess and test controls over budget development, monitoring, and reporting.	Operational	240	151	89	In Process
Revenue Agreements	FY24-513	Assess and test controls over identification, tracking, and reporting of external revenue agreements.	Operational	60	61	(1)	Issued 7-24-24
Investment Management Contracts	FY25-504	Assess and test oversight, contract compliance, and invoice review controls related to short-term investment management services provided by Chandler Asset Management, MetLife, Payden & Rygel, and PFM Asset Management, LLC.	Operational / Compliance	180	102	79	Issued 10-11-24
Purchasing Cards	FY25-505	Assess and test controls over purchasing card activities.	Operational / Compliance	240	341	(101)	Issued 11-22-24
Price Reviews	PR25-XXX	As requested by the Contracts Administration and Materials Management (CAMM) Department, apply AUP to sole source, single bid, and architectural and engineering firm proposals.	Price Review	700	445	256	26 Reports Issued
Buy America	FY25-5XX	As requested by the CAMM Department, apply AUP to determine compliance with Buy America requirements.	Buy America	320	150	170	2 Reports Issued

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Unscheduled Reviews and Special Requests							
Unscheduled Reviews and Special Requests	FY25-800	Time allowed for unplanned audits and requests from the Board or management.	Varies	180	4	176	
Monitoring Activities							
Measure M2 Taxpayer Oversight Committee (TOC)	FY25-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	50	12	38	
Metrolink Audit Activities	FY25-602	Review/monitor audit results of Metrolink activities.	Non-Audit Service	8		8	
Capital Asset Inventory Observation	FY24-604	At the request of the F&A Division, observe and apply limited procedures related to the bi-annual capital asset inventory counts.	Non-Audit Service	20	15	5	
Follow-Up Reviews							
Follow-Up Reviews and Reporting	FY25-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	320	350	(30)	
		Total Audit Project F	Planned Hours (A)	6,697	5238	1,459	_

Audit Activity	Project Number		mary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Internal Audit Administration							
Board and Committee Meetings				180	111	70	
Executive Steering and Agenda Setting Meetings				170	89	81	
Internal Audit Staff Meetings				150	130	21	
Other Administration				1,500	989	511	
		Tot	tal Hours (B)	8,697	6,556		
		Department Target Effic Target Efficiency - Profes		75% 80%	79.90% 85.67%		
Contingency Audits: Internal		ranger Emiliancy Tronce	55101141 54411	00 70	00.07.70		
Warranty Administration	FY25-5XX	Assess the adequacy and effectiveness of internal controls in place for identifying, tracking, and recording of warranty repairs and credits.					-
Right-of-Way (ROW) Maintenance	FY25-5XX	Assess and test the adequacy and effectiveness of controls related to maintenance of the railroad ROW and the contract with Joshua Grading and Excavating Incorporated.					

				March 31, 2	023		
Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
1/26/22	21-511	Executive Office	Physical Access Security	Internal Audit recommends management develop and implement written policies, procedures, and protocols that address the timely issuance, termination, and use of badges. These procedures should be referenced in contracts with Contracted Transportation Services (CTS) providers and be communicated to OCTA staff. Management should also ensure secondary controls are operating as intended.		Management is reviewing the issuance and termination of access badges in order to document processes. Management will work with other departments, including CTS, to advise of procedures for issuing and terminating access badges and encourage those departments to include procedures in their contracts, as appropriate. Additionally, management is currently reviewing and documenting procedures to ensure secondary controls are being utilized. Review and updating of procedures will conclude with the creation of a new Physical Access Policy to be completed by June 30, 2022.	Update August 2022: Management has not yet developed policies, procedures, and protocols to address timely issuance, termination, and use of access badges. Update March 2023: Management expects an updated Access Control Policy (Policy) to be completed soon, and updates to agreements with CTS providers are in process. Update September 2023: Significant progress has been made; however, monitoring controls outlined in the newly-developed Policy have not yet been implemented. Update March 2024: Monitoring controls related to access control have been implemented; however, further improvement is needed. Update August 2024: Management is updating distribution lists for the System Validation Report to ensure that appropriate managers receive the report and can validate access rights. Management expects improvements to be completed by October 2024. Update March 2025: In process.
2/9/22	21-507	Operations Division (Operations)	Facilities Maintenance (FM) Operations	Internal Audit recommends management implement a perpetual inventory system to track purchasing activity and maintain inventory of all parts and supplies. Purchasing, storage, issuance, and disposal activities should be centralized and include controls to ensure proper authorization for purchases, physical security of inventory items, and proper assignment of costs to work orders.		FM contracts for parts and supplies will be transferred to the Contracts Administration and Materials Management (CAMM) Department by July 2022. By February 2023, FM parts and supplies stored outside of CAMM's control will be brought into the inventory system for proper storage and issuance. The current Enterprise Asset Management (EAM) system is not capable of assigning all costs to FM work orders; however, a new EAM system is being implemented and should be capable of properly assigning costs to work orders. The new EAM system is estimated to be fully implemented in mid-2023.	Update September 2022: Management has completed transferring contracts to CAMM and a process to bring FM parts inventory into CAMM for proper storage and issuance has been established and is on track to be completed by February 2023. As stated in the original response, the current asset management system is not capable of assigning all costs to work orders. A new system will be implemented in mid-2023. Update March 2023: Management is still in the process of implementing a centralized inventory system and expects that physical transfer of all inventory may take up to two years. Update August 2023: Management is still in the process of transferring parts inventory to centralized CAMM control. Update March 2024: FM inventory from three of the five bases has been transferred to the centralized inventory system. Update September 2024: FM inventory for four bases has been transferred. Inventory from the last base should be transferred within six months. Update March 2025: In process.

		Division/	T	March 31, 2			
Audit Issue Date	Report Number	Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
2/9/22	21-507	Operations and Finance and Administration Division (F&A)	FM Operations	Management should enhance its invoice review process to ensure compliance with OCTA's Vendor Payment Policy and contract payment terms. Vendor markups should be discontinued from timeand-expense contracts. For contracts related to the purchase of parts and materials only, any items not listed on the price summary sheet should include supporting cost documentation. If markups are to be allowed on parts-andmaterials contracts, the proposed markups should be incorporated into the evaluation of costs during the vendor selection process.	Feb-25	cover page to include a checklist that will require acknowledgement of review for	Update September 2022: Management has enhanced the invoice checklist to include review for sufficient detail as to quantity and rates. CAMM has implemented an evaluation methodology to assign a percentage of the cost score for items not listed on the price summary sheet. Management and CAMM continue to explore options including discounts from price sheets and using fair market values to justify and validate price mark-ups. Update March 2023: FM has enhanced its invoice review; however, CAMM staff needs to enhance its review of invoices for contracts that have been transferred to their control. Update August 2023: CAMM staff has implemented an invoice review checklist; however, Internal Audit identified some payments that do not comply with contract terms and some vendors that do not have published list prices, required in order to validate discounts. Update March 2024: CAMM has hired a contract analyst to manage and review invoices and implement enhancements to invoice review. Update September 2024: Management has developed price validation procedures; however, the procedures are not being applied consistently on every invoice. Internal Audit encouraged staff to include documentation evidencing price validation in the invoice payment package. Update March 2025: In process.
5/31/23	22-513	F&A	OCTA's Cybersecurity Program	Management should adopt and implement a policy that governs asset management and associated activities.		Management agreed to develop and implement a policy.	Update February 2024: Management has drafted requirements of an asset management system and plans to utilize a module of the FreshService system (system). Once implemented, an Asset Management Policy will be developed and implemented. Update August 2024: Management has launched the system and is in the process of collecting data for all computing assets. Update February 2025: Management has implemented systems to track and manage assets and will be finalizing an Asset Management Policy.

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Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
5/31/23	23-509	F&A	OCTA's Cybersecurity Program	Management should implement a comprehensive vulnerability management program that includes identifying, assessing, prioritizing, remediating, and/or documenting vulnerabilities as "accepted risks" in a timely manner.	Jan-25	Management agreed and indicated that the current Vulnerability Policy will be enhanced and all issues will be remediated or documented as "accepted risks" in a timely manner going forward.	Update February 2024: Management is working to build dashboards to identify vulnerabilities and a reporting system to monitor remediation efforts. Management estimates full implementation of this recommendation by June 2024. Update August 2024: The estimated completion date has been extended due to delays in procuring a consultant. The revised expected completion date is October 31, 2024. Update February 2025: Management has implemented a system to identify and track vulnerabilities across systems. A Vulnerability Policy is in draft and should be published soon.
5/31/23	23-509	F&A	OCTA's Cybersecurity Program	Management should strengthen the data protection and privacy program by adopting a comprehensive policy, designating an individual to define and communicate data and privacy requirements, and perform user access reviews at least every 90 days for all internal employees and third party contractors that have OCTA user accounts and/or access to internal resources.	Jan-25	Management committed to implementing a comprehensive data protection and privacy program for all protected data and to designate the cybersecurity manager as the individual responsible to define and communicate data and privacy requirements. In addition, management agreed to implement user access reviews at least every 90 days.	Update February 2024: Management indicated they have begun to meet with departments that handle protected data to identify where the data is stored and who has access. Once completed, management plans to develop policies and processes to properly secure such data. In addition, management is working with Microsoft to implement a governance platform to control user access during the entire employment life cycle. Management estimates full implementation by April 30, 2025. Update August 2024: Management continues to work on identifying protected data and the users that should have access to the data. Work on implementing a governance platform is in progress and full implementation is expected by April 2025. Update February 2025: Management has implemented a user access review process and full implementation of a data protection and privacy program is expected in April 2025.
12/5/23	24-503	Executive Office	Transit Police Services (TPS)	Management should implement a process to evaluate, estimate, and document the methodology of assigning TPS costs on an annual basis. Management should also consider implementing a process to accumulate and report all costs of providing transit security.	Jun-25	Management will collaborate with the Orange County Sheriff's-Coroner Department to estimate and document contract costs on an annual basis. In addition, management will work with the Financial Planning and Analysis Department to ensure the ability for each department responsible for an aspect of providing or supporting TPS, to accumulate and consolidate transit security costs for a better understanding of the overall cost of transit security. Management will work with Financial Planning and Analysis to consolidate TPS associated costs and reporting by July 2024.	Update August 2024: Management is coordinating with Financial Planning and Analysis Department (FP&A) to implement a process to periodically review contract cost allocations for reasonableness and make adjustments as necessary. Management is also working with FP&A and Maintenance Resource Management to implement a process to accumulate all costs of providing transit security. Update January 2025: Management is working with FP&A and Maintenance Resource Management to periodically evaluate contract cost allocations and to accumulate all costs of providing transit security.

		Division/		·	Initiate		
Audit Issue Date	Report Number	Department/	Audit Name	Recommendation	Next Update	Management Response	Internal Audit Status
12/5/23	24-503	Executive Office		Management should implement procedures to document agreements for enhanced services, including the type, time, and place of services, and obtain a cost estimate for services. Management should reconcile invoices for special services to these documents and obtain support, or include in the contract, the rates to be charged prior to authorizing payment.		Management will establish procedures to better document the estimates, agreed cost, and occurrence of special services performed. Management will also seek rates for services to be documented in annual contract amendments moving forward with the 2024-2025 TPS contract amendment. Work should conclude by May 2024.	Update August 2024: Management has obtained annual cost estimate memos from TPS that document each type of enhanced service, the overtime billing rates by position, and the estimate of hours and positions required for each service; however, the contract requires documentation of the type, time, and place for each of these services, as scheduled, along with a cost estimate. Management should obtain a memo with all of the required information for each of the scheduled services. Update January 2025: Management has developed a template to document special service activities and will implement it immediately.
3/11/24	24-506	Operations		Agreements should be amended to accurately reflect all responsibilities and requirements for program operation, and management should enforce agreement requirements. Management should also develop, document, and implement procedures for administration of the program, including procedures for verifying the reasonableness of enrollment data provided by colleges for invoicing purposes and timely preparation of invoices. Management should implement procedures developed in December 2023, to monitor and collect outstanding receivables.		Management agrees that the agreements need to be more specific to each college, and procedures need to be formalized to administer the program beyond the pilot phase. Management will review and enhance agreement language by August 31, 2024. In addition, management will ensure the documentation and implementation of specific procedures for each aspect of program administration and will outline specific responsibility area(s) for program implementation and oversight by September 30, 2024.	Update September 2024: Management has updated agreements with some colleges; however, the agreement with Golden West College has not been tailored to address its annual fee structure. Agreements with the remaining colleges are in the process of update. Procedures for administration and oversight of the program are also underway. Update March 2025: In process.
3/11/24	24-506	Operations	College Pass Program	Internal Audit recommends management update agreements to include requirements for security, inventory, distribution, and reporting of paper passes and implement monitoring controls to ensure colleges are complying with the requirements. Management should also strengthen controls to ensure all college bus passes are properly coded in the system.		Management will develop improved controls and a formal procedure for paper pass distribution to ensure proper security, accurate coding, reporting, and reconciliation, and amend agreements to include the procedures.	Update September 2024: Management has developed paper pass procedures and incorporated these into four out of seven agreements. The remaining three agreements are in the process of being updated. Management has also strengthened controls to ensure passes are properly coded, and to monitor usage. Update March 2025: In process.
5/29/24	24-511	People and Community Engagement (PACE)	(FSA) Program	Management should implement a process for regular tracking of custodial account contributions, distributions, and running account balance and ensure the balance is updated for purposes of financial reporting.		Management will create a process to ensure the balance is updated and reported to accounting at the end of each fiscal year. In addition, a process will be established to regularly track account balance and activities.	Update February 2025: OCTA has transitioned to a new FSA administrator as of January 2025. Management will create a process for regular tracking of the account with the new provider, Health Equity, Inc.

		B'adada a		march 31, 2		<u></u>	
Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
8/1/24	24-512	Operations	OC ACCESS Service	Management should revise the performance standards exhibit in the contract to reflect the correct 5,000-mile Preventative Maintenance Interval and adjust the miles in the penalty column accordingly. Management should also enforce prior approval requirements for repair or replacement of major mechanical components.		Management will amend the contract as recommended and will reiterate the prior approval requirements with First Transit.	<u>Update March 2025</u> : In process.
8/1/24	24-512	Operations	OC ACCESS Service	Management should implement a secondary review of the accident log to ensure all accidents are correctly classified.		Management will create and implement a formal review report and confirm the receipt and classification of each incident.	<u>Update March 2025</u> : In process.
8/1/24	24-512	Operations	OC ACCESS Service	Management should perform inspections in accordance with the established frequency schedule.		Management will perform inspections in accordance with the established frequency schedule and will implement a review to confirm that inspections have taken place.	<u>Update March 2025</u> : In process.
8/1/24	24-512	F&A	OC ACCESS Service	Management should enforce the requirement to include "Approval to Pay Invoice" in the email subject line when forwarding an invoice for payment, or should revise the policy to remove this requirement.		Management will remove this requirement from the policy.	<u>Update March 2025</u> : In process.
9/13/24	25-502	F&A	Investments: Compliance, Controls, and Reporting January 1 through June 30, 2024	Management should update the Treasury manual to reflect current practices.	Mar-25	Management will update the manual as recommended.	<u>Update March 2025</u> : Management is working to update the manual and related policies.
10/10/24	25-501	Capital Programs	Interstate 5 (I-5) Improvement Project: Oso Parkway to Alicia Parkway	Management should enforce pre- approval requirement for Other Direct Costs (ODC) not included in the contract schedule.		The project manager will remind the consultant that ODCs not included in the contract schedule require pre-approval and contract language will be updated to clarify who will provide the prior approval.	

Audit Issue	Report	Division/	AP(N	Parameter St, 2	Initiate	Management Bases	
Date	Number	Department/ Agency	Audit Name	Recommendation	Next Update	Management Response	Internal Audit Status
10/11/24	25-504	F&A	Investment Manager Contracts	Management should remind investment managers of contract requirements for replacement of key personnel and implement a procedure to periodically validate key personnel.		Management will remind investment managers of the contract requirement and will work to limit the designation of key personnel to those employees who work directly with OCTA staff. We will also implement a process to periodically validate key personnel.	
10/11/24	25-504	F&A	Investment Manager Contracts	Management should improve the timeliness of invoice review, approval, and processing.	Apr-25	Management has implemented additional checks to ensure the timeliness of payments is carefully monitored.	
11/22/24	25-505	F&A	Purchasing Cards	Management should update procedures to prohibit cardholders from using personal PayPal accounts for business purchases and require all purchased items to be delivered to an OCTA address. Management should also follow-up with cardholders who purchased items in violation of procedures and remind Accounts Payable (AP) staff to verify approvals reflected on purchasing card packages.		Management will update procedures to prohibit use of personal accounts for purchasing card transactions and require items to be delivered to an OCTA address. The Purchasing Card Administrator will follow-up with cardholders identified as making prohibited transactions. Finally, AP staff will confirm purchasing card packages reflect appropriate approvals.	
3/14/25	25-511	F&A	Investments: Compliance, Controls, and Reporting July 1 through December 31, 2024	Management should enhance controls to ensure variable and floating rate securities are properly reflected in monthly investment and debt reports.	Sep-25	Management will enhance its review process to ensure accuracy of future reports.	
1/7/25	25-507	PACE	Employee Compensation	Management should strengthen controls to ensure compliance with the Temporary Increases Policy.		Responsible staff have been reminded of the importance of saving documents in the employee files. Management will review files of employees currently receiving temporary increases and ensure required documentation is on file.	
1/7/25	25-507	F&A	Employee Compensation	Management should retain documentation supporting productivity incentive calculations and annual determination of cell phone allowance.		Management will ensure documentation is retained and on file to support incentive calculations and determination of the annual cell phone allowance.	

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
2/3/25	24-508	Express Lanes Programs	Agreement No. C-9-1177 with Cofiroute USA, LLC for 91 Express Lanes Operations	Management should enhance oversight to ensure the vendor is held accountable to contract requirements and develop policy and procedures to address the parameters and authorization thresholds for waiving liquidated damages.		Management will develop policy and procedures for waiving damages and will improve documentation consistent with the new policy being developed.	
2/3/25	24-508	Express Lanes Programs	Agreement No. C-9-1177 with Cofiroute USA, LLC for 91 Express Lanes Operations	Management should strengthen enforcement of contract requirements related to performance measures and reporting. Management should also develop a policy and procedures to address parameters and authorization levels for waiving penalties.		Management will enhance documentation of monthly standards assessment and review for agreed-upon penalties. Management will also develop policy and procedures to address the parameters and thresholds for penalty waivers.	
2/3/25	24-508	Express Lanes Programs	Agreement No. C-9-1177 with Cofiroute USA, LLC for 91 Express Lanes Operations	Management should adjust Monthly Status Reports to properly reflect results against standards as outlined in the agreement.		Management agrees and has updated the report format starting with the November 2024 report, to reflect standards as outlined in the agreement.	
2/3/25	24-508	Express Lanes Programs	Agreement No. C-9-1177 with Cofiroute USA, LLC for 91 Express Lanes Operations	Invoices do not meet all requirements of the agreement and complete invoice packages are not available in the accounts payable file.		Management will implement a checklist to be used during invoice review to ensure contract requirements are met and, as of June 2024, the complete invoice package is being submitted to AP as recommended.	

Audit Recommendations Closed During Third Quarter, Fiscal Year 2024-25

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Internal Audit Status Comments
5/31/23	23-509	Finance and Administration (F&A)	Program	Management should update OCTA's Business Impact Analysis with direct input from the Cybersecurity Office and use results to inform the development, implementation, and maintenance of an updated Continuity of Operations Plan (COOP) and Disaster Recovery Plan (DRP), and test the DRP annually.	Update February 2024: Management indicated that an initial portion of the disaster recovery runbook of core infrastructure applications has been completed and that a tabletop exercise of the incident response plan is planned for June 2024. Management will obtain an updated COOP and update its disaster systems recovery plans accordingly and implement annual testing of data and critical systems recovery by July 2024. Update August 2024: An updated COOP was delivered in May 2024 and management is updating the recovery runbook to restore applications. A tabletop exercise was completed in June 2024. Full implementation is expected by September 30, 2024. Update February 2025: Management has completed the Disaster Recovery Runbook for Servers and Applications document, with recovery priorities for servers and will conduct the next tabletop exercise in the May/June 2025 timeframe.
9/9/24	25-503	and Community	with Woodruff & Smart	Management should enhance invoice review controls to include verification that pre-approval of legal subcontractors was obtained as required.	Update March 2025: Management has updated invoice review procedures to include verification that pre-approval letters are on file for subcontractors.
9/13/24	25-502	F&A			<u>Update March 2025</u> : Management has implemented a process to periodically update revenue estimates.





April 28, 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 – February 2025

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Receive and file as an information item.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt

Programs Report – February 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 February 28, 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 February 28, 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 4.3 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 4.33 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 \$13,133,798. For the month of February, the monthly gross yield for the OCIP was 4.37 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. Due to the timing of apportionments and claims, the OCIP balance can fluctuate significantly from month to month. This framework ensures effective fund management and adherence to regulatory compliance.

During the month of February, three securities held within OCTA's investment portfolio were either downgraded or placed on Negative Credit Watch by S&P Global Ratings. As of February 28, 2025, the securities still meet 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 Measure M2 (M2) Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and 2021 Transportation Infrastructure Finance and Innovation Act Loan. The debt program currently has an outstanding principal balance of \$1.2 billion as of February 28, 2025. Approximately 45 percent of the outstanding balance is comprised of M2 debt, three percent is associated with the 91 Express Lanes Program, and 52 percent is associated with the 405 Express Lanes. During the month of February, S&P Ratings upgraded the rating of the M2 Sales Tax Revenue Bonds from AA+ to AAA. The upgrade is based on the authority's adoption of stronger bond provisions, which will help maintain very strong coverage metrics for bondholders.

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 February 28, 2025.

Attachments

- A. Orange County Transportation Authority Investment and Debt Programs - For the Period Ending February 28, 2025
- Orange County Transportation Authority Portfolio Listing as of B. February 28, 2025

Prepared by:

Robert Davis Department Manager

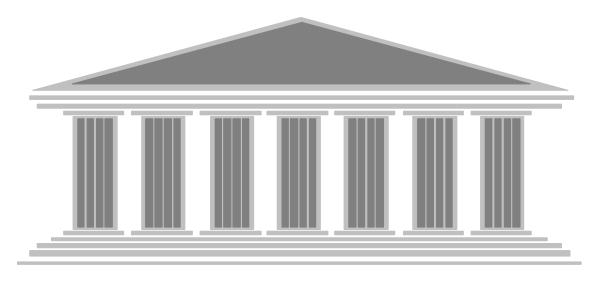
Treasury/Public Finance (714) 560-5675

Approved by:

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

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 February 28, 2025

INVESTMENT PROGRAM

OCTA Investment Dashboard

2/28/2025

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of February 2025:

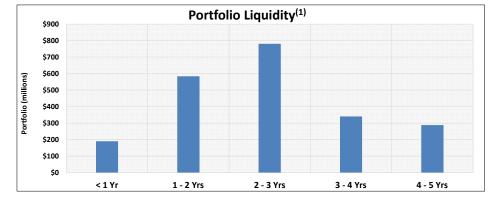
<u>Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:</u>

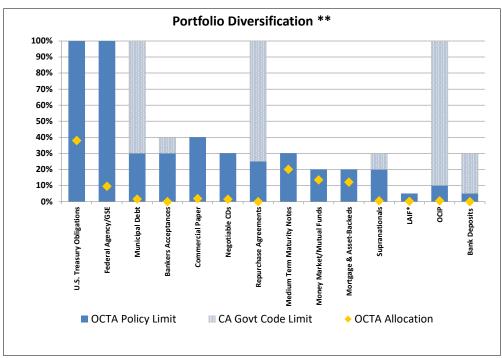
Two Keybank securities held within OCTA's investment portfolio were downgraded below minimum credit quality requirements for the month of October 2023

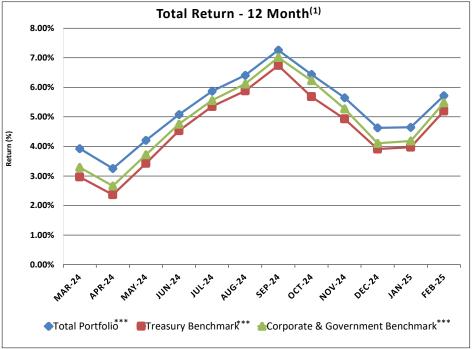
Securities downgraded or placed on Negative Credit Watch during the month of February 2025, but remain in compliance with OCTA's Investment Policy:

Three securities held within OCTA's investment portfolio were either downgraded or placed on Negative Credit Watch during the month.

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







- 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 February 28, 2025, 6.8% of the portfolio was invested in variable & floating rate securities.

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.

^{***} Actual portfolio returns represent the aggregate performance of the managed portfolio.

Investment Compliance

2/28/2025

Portfolio Subject to Investment Policy									
		Dollar Amount	Percent Of	Maximum					
Managed Portfolio ¹		Invested	Portfolio	Percentages					
U.S. Treasury Obligations	\$	993,020,946	38.1%	100%					
Federal Agency/GSE		249,350,083	9.6%	100%					
Municipal Debt	\$	43,448,841	1.7%	30%					
Commercial Paper		50,425,386	1.9%	40%					
Negotiable Certificates of Deposit	\$	40,525,000	1.6%	30%					
Repurchase Agreements		-	0.0%	25%					
Medium Term Maturity Notes/Corporates	\$	524,106,509	20.1%	30%					
Money Market/Mutual Funds		352,889,045	13.5%	20%					
Mortgage & Asset-Backed	\$	316,761,469	12.2%	20%					
Supranationals		13,493,324	0.5%	20%					
Local Agency Investment Fund	\$	7,199,732	0.3%	\$ 75 Million					
Orange County Investment Pool		13,133,798	0.5%	10%					
Bank Deposits	\$	552,541	0.0%	5%					
Total Managed Portfolio ²	\$	2,604,906,673							

^{1.} Excludes portion of Liquid Portfolio subject to Indenture

2,904,069,975

		Portfolio Su	bject to Indenture/Grant Funding	Agreement			
	Dollar Amount				Indenture/Funding Agreement Requirements		
Portfolio		Invested	Credit Quality	Term	Min. Credit Quality	Max. Term	
Liquid Portfolio*							
Government Obligations MMKT Fund		126,692,877	"AAAm"	N/A	AAA Category	N/A	
Government Obligations MMKT Fund		3,478,836	"AAAm"/"Aammf"	N/A	AAA Category	N/A	
Government Obligations MMKT Fund **		109,641,276	"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 **		20,738,720	"AAAm"/"Aaa-mf"	N/A	N/A	N/A	
Bank Deposits **		278,635	N/A	N/A	N/A	N/A	
Total Liquid Portfolio	\$	285,830,344					
Reserve Funds Portfolio							
Government Obligations MMKT Fund	\$	5,332,919	"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 ***		40	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A	
Total Reserve Funds Portfolio	\$	13,332,959					
Total Portfolio Subject to Indenture	\$	13,332,959					

^{*} Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)

Portfolio Total

^{2.} Includes variable & floating rate securities invested in the amount of \$176,890,047 (6.8% of total Managed/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

^{**} Senate Bill (SB) 125 Grant Funding
*** 91 EL Debt Service Fund

Managed Portfolio Sector Allocation and Performance Overview 2/28/2025

Book/Market Value	CHANDLER		METLIFE		PFM		Payden & Rygel		Total Portfolio	
Total Portfolio:										
Book Value	\$ 542,532,376	\$	541,719,259	\$	546,084,223	\$	552,045,295	\$	2,182,381,153	
Market Value	\$ 551,924,936	\$	552,776,680	\$	554,166,351	\$	557,824,481	\$	2,216,692,447	
1-3 Year Portfolio:										
Book Value	\$ 377,266,707	\$	380,531,473	\$	382,427,433	\$	387,060,446	\$	1,527,286,059	
Market Value	\$ 383,593,861	\$	389,180,523	\$	388,861,802	\$	392,553,627	\$	1,554,189,813	
1-5 Year Portfolio:										
Book Value	\$ 165,265,669	\$	161,187,786	\$	163,656,789	\$	164,984,850	\$	655,095,094	
Market Value	\$ 168,331,074	\$	163,596,157	\$	165,304,548	\$	165,270,854	\$	662,502,634	

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
U.S. Treasury Obligations	41.6%	42.2%	47.7%	50.4%	45.5%
Federal Agency/GSE	25.1%	5.6%	11.4%	3.7%	11.4%
Municipal Debt	0.3%	5.8%	0.2%	1.7%	2.0%
Negotiable Certificates of Deposit	0.0%	0.0%	2.8%	0.0%	0.7%
Medium Term Maturity Notes	22.1%	28.7%	21.5%	23.8%	24.0%
Money Market/Mutual Funds	1.8%	0.2%	0.3%	2.5%	1.2%
Mortg & Asset Backed Sec	7.5%	16.6%	16.1%	17.9%	14.5%
Supranationals	1.6%	0.9%	0.0%	0.0%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
1-3 Year Portfolio:	-	"		1	
U.S. Treasury Obligations	38.6%	41.2%	48.9%	50.0%	44.7%
Federal Agency/GSE	21.4%	5.2%	9.3%	3.9%	9.9%
Municipal Debt	0.0%	5.5%	0.2%	1.7%	1.8%
Negotiable Certificates of Deposit	0.0%	0.0%	3.0%	0.0%	0.7%
Medium Term Maturity Notes	26.8%	28.5%	21.3%	23.7%	25.1%
Money Market/Mutual Funds	2.6%	0.3%	0.3%	3.0%	1.5%
Mortg & Asset Backed Sec	9.3%	18.0%	16.9%	17.8%	15.5%
Supranationals	1.3%	1.3%	0.0%	0.0%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
1-5 Year Portfolio:		<u> </u>			
U.S. Treasury Obligations	48.4%	44.5%	45.0%	51.3%	47.3%
Federal Agency/GSE	33.7%	6.6%	16.4%	3.3%	15.0%
Municipal Debt	1.0%	6.5%	0.2%	1.7%	2.3%
Negotiable Certificates of Deposit	0.0%	0.0%	2.5%	0.0%	0.6%
Medium Term Maturity Notes	11.5%	29.0%	21.8%	24.2%	21.6%
Money Market/Mutual Funds	0.1%	0.2%	0.1%	1.5%	0.5%
Mortg & Asset Backed Sec	3.3%	13.2%	14.0%	18.0%	12.1%
Supranationals	2.1%	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	2.22	2.13	2.10	2.27	2.18	n/a	n/a
Duration	2.05	1.96	1.94	2.08	2.01	1.95	1.94
Monthly Yield (Annualized)	4.19%	4.26%	4.21%	4.24%	4.23%	4.01%	4.18%
1-3 Year Portfolio:							
Weighted Average Life	1.97	1.86	1.86	2.03	1.93	n/a	n/a
Duration	1.84	1.72	1.73	1.86	1.78	1.73	1.72
Monthly Yield (Annualized)	4.21%	4.27%	4.20%	4.24%	4.23%	4.02%	4.17%
1-5 Year Portfolio:							
Weighted Average Life	2.78	2.75	2.67	2.86	2.77	n/a	n/a
Duration	2.55	2.51	2.45	2.60	2.53	2.45	2.46
Monthly Yield (Annualized)	4.14%	4.24%	4.22%	4.24%	4.21%	4.00%	4.20%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Monthly Return ***	0.85%	0.81%	0.79%	0.84%	0.82%	0.77%	0.78%
Three Months Return ***	1.38%	1.46%	1.41%	1.39%	1.41%	1.37%	1.38%
1-3 Year Portfolio:							
Monthly Return ***	0.79%	0.72%	0.71%	0.76%	0.74%	0.69%	0.69%
Three Months Return ***	1.37%	1.45%	1.39%	1.38%	1.40%	1.36%	1.37%
1-5 Year Portfolio:							
Monthly Return ***	0.97%	1.01%	0.99%	1.03%	1.00%	0.98%	0.97%
Three Months Return ***	1.39%	1.50%	1.45%	1.41%	1.44%	1.40%	1.41%

^{*} 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

Investment Manager / Security

Rating Downgrades:

MetLife

VERIZON MASTER TRUST, SERIES 2024-4, CLASS B

Par Amount

Maturity

S&P

Moody's Fitch Ratings

Fitch Ratings

Fitch Ratings

Fitch Ratings

AA
No AA-

On February 6, 2025, S&P downgraded 16 tranches from 11 Verizon Asset-Backed Security (ABS) deals. Among the affected securities, the Series 2024-4, Class B was lowered to AA- from AA. The downgrade was driven by S&P's decision to increase its base case default assumption in its rating model for Verizon's ABS deals. Despite this change, the security remains compliant with the Investment Policy. The investment manager recommends holding the securities, maintaining a positive outlook on the device payment securitization sector. Notably, there has been no significant price movement following the downgrade. If bonds become available at wider spreads, the investment manager would consider increasing exposure across accounts.

- Rating below minimum requirements:

KEYBANK NATIONAL ASSOCIATION \$ 1,675,000 08/08/2025 - 01/26/2026 BBB+ Baa1

During October 2023, Moody's and Fitch downgraded Keybank by one notch. The downgrade reflects the agencies' view that a higher-forlonger 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:

CAM

HONEYWELL INTERNATIONAL INC \$ 2,000,000 8/15/2029 A A2 A

On February 6, 2025, S&P placed Honeywell International Inc. (Honeywell) on negative credit watch, followed by Fitch on February 7, 2025. This action was taken in response to Honeywell's announcement of plans to spin off its Aerospace Technologies and Automation subsidiaries, creating three separate companies by the second half of 2026. The credit watch placement reflects concerns that the restructuring will alter Honeywell's competitive position. S&P and Fitch anticipate that the remaining entity will have reduced product, end-market, and geographic diversity, along with a diminished balance of long- and short-cycle businesses. Despite the rating watch, the security remains in compliance with the investment policy's credit rating requirements. The investment manager recommends holding the securities, citing the strength of Honeywell's business lines and management's commitment to maintaining strong investment-grade ratings.

PFM

JOHNSON & JOHNSON \$ 1,045,000 3/1/2028 AAA Aaa n/a

On February 18, 2025, S&P assigned its 'AAA' issue-level rating to Johnson's new senior unsecured notes, while placing them on negative credit watch. The company will use proceeds from the offering to partially fund the recently announced acquisition of pharmaceutical company Intra-Cellular Therapies Inc. for roughly \$14.6 billion. S&P placed the ratings of Johnson & Johnson on negative credit watch on January 14, 2025, following the announcement of the acquisition because S&P estimates the transaction would raise the company's S&P ratings-adjusted leverage to roughly 1.4x, significantly above its 1.0x downside trigger. Despite the rating watch, the security remains in compliance with the investment policy's credit rating requirements. The investment manager recommends holding the securities.

DEBT PROGRAM

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

Outstanding Debt¹ As of 2/28/2025

Orange County Local Transportation Authority (OCLTA-M2)

ub-total M2 Outstanding Debt	\$	547,365,000
Final Maturity:		204
Ratings (Fitch/ S&P):		AA+/AA/
Pledged Revenue Source:		M2 Sales Tax Revenue
All in True Interest Cost:		3.14
Debt Service FY 2025:		33,065,90
Outstanding:		301,885,00
Issued:	\$	376,690,00
19 M2 Sales Tax Revenue Bonds	_	
Final Maturity:		204
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AA
Pledged Revenue Source:		M2 Sales Tax Revenue
All in True Interest Cost:		4.33
Debt Service FY 2025:		21,790,00
Outstanding:		245,480,00
Issued:	\$	293,540,00

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

TOTAL OUTSTANDING DEBT:	\$	1,226,625,814
Sub-total 405 Express Lanes Outstanding Debt	\$	637,535,814
Final Maturity:		2058
Ratings (Moody's):		Baa2
Pledged Revenue Source:	405	Toll Road Revenues
Interest Rate:		1.95%
Capitalized Interest:		23,824,519
Outstanding:		637,535,814
Amount Available	\$	628,930,000
LOCA THE IN COOK		

^{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.

	LIQUID PORTFOL	10			
DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CASH EQUIVALENTS					
BANK DEPOSITS	N/A	N/A	831,176	831,176	0.00
FEDERATED MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	197,118,438	197,118,438	4.25
BMO HARRIS BANK NCD	12/20/2024	3/20/2025	25,000,000	25,000,000	4.46
BARCLAYS COMMERCIAL PAPER	9/11/2024	3/10/2025	24,412,500	24,927,025	4.70
BARCLAYS COMMERCIAL PAPER	1/7/2025	7/7/2025	26,012,886	26,144,768	4.39
MONEY MARKET DEMAND ACCOUNT	N/A N/A	N/A N/A	415	415	3.06 4.26
FIDELITY TREASURY OBLIGATIONS FUND FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A N/A	N/A	126,692,877 40,000,000	126,692,877 40.000.000	4.28
DREYFUS MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	65,726,958	65,726,958	4.39
INVESCO MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	48,368,251	48,368,251	4.29
RBC US MONEY MARKET GOVERNMENT PORTFOLIO	N/A	N/A	109,641,276	109,641,276	4.28
FIDELITY TREASURY OBLIGATIONS FUND	N/A	N/A	20,738,720	20,738,720	4.25
FEDERATED TREASURY OBLIGATIONS FUND	N/A	N/A	3,478,836	3,478,836	4.24
SUB-TO	TAL		688,022,334	688,668,740	
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	N/A	7,199,732	7,199,732	4.33
ORANGE COUNTY INVESTMENT POOL (OCIP)	N/A	N/A	13,133,798	13,133,798	4.37
LIQUID PORTFOLIO - TOTAL			\$ 708,355,863	\$ 709,002,269	
	MANAGED PORTFO	DLIO			
DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
Money Market Funds FIRST AMER: GVT OBLG Z	2/27/2025	2/28/2025	26,674,982	26,674,982	4.25
SUB-TO		212012023	26,674,982	26,674,982	4.20
NEGOTIABLE CERTIFICATES OF DEPOSIT					
COOPERATIEVE RABOBANK U.A., NEW YORK BRANCH	7/20/2023 2/5/2024	7/17/2026 2/1/2027	3,450,000	3,502,061	3.96 4.51
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK NATIXIS, NEW YORK BRANCH	9/20/2023	9/18/2026	3,750,000 3,575,000	3,767,025 3,642,675	3.99
NORDEA ABP - NEW YORK BRANCH	11/3/2022	11/3/2025	4,750,000	4,787,668	4.34
SUB-TO	TAL		15,525,000	15,699,428	
U.S. TREASURY OBLIGATIONS			, ,	, ,	
UNITED STATES TREASURY	3/31/2021	3/31/2025	1,989,688	1,994,080	3.98
UNITED STATES TREASURY	8/11/2021	4/30/2025	7,440,527	7,452,750	4.14
UNITED STATES TREASURY	10/15/2021	5/31/2025	7,357,324	7,426,350	4.17
UNITED STATES TREASURY UNITED STATES TREASURY	11/22/2021 12/28/2021	6/30/2025 3/31/2025	6,811,055 7,862,500	6,909,420 7,976,320	4.14 3.98
UNITED STATES TREASURY	1/6/2022	7/31/2025	7,729,375	7,867,920	4.23
UNITED STATES TREASURY	3/23/2022	7/31/2025	6,979,688	7,376,175	4.23
UNITED STATES TREASURY	4/29/2022	9/30/2025	2,161,338	2,134,692	4.24
UNITED STATES TREASURY	5/6/2022	9/30/2025	7,002,734	6,950,160	4.24
UNITED STATES TREASURY	6/3/2022	10/31/2025	8,032,813	7,935,760	4.23
UNITED STATES TREASURY	6/10/2022	11/15/2025	6,818,164	6,904,590	4.22
UNITED STATES TREASURY UNITED STATES TREASURY	8/19/2022 9/19/2022	11/15/2025 6/30/2027	7,750,938 294,035	7,890,960 295,278	4.22 3.96
UNITED STATES TREASURY	10/6/2022	6/30/2027	4,354,629	4,429,170	3.96
UNITED STATES TREASURY	10/24/2022	3/31/2027	5,072,891	5,339,510	3.97
UNITED STATES TREASURY	12/1/2022	4/30/2027	8,049,434	8,283,845	3.98
UNITED STATES TREASURY	12/21/2022	6/30/2027	2,925,820	2,952,780	3.96
UNITED STATES TREASURY	1/10/2023	2/28/2026	223,301	241,188	4.14
UNITED STATES TREASURY UNITED STATES TREASURY	1/12/2023 2/10/2023	2/15/2027 8/31/2027	8,006,270	8,222,390	4.00
UNITED STATES TREASURY	2/10/2023	2/28/2026	7,737,813 4,758,199	7,838,720 5,113,175	3.98 4.14
UNITED STATES TREASURY	5/17/2023	11/15/2027	3,778,750	3,824,840	3.97
UNITED STATES TREASURY	5/17/2023	7/31/2027	3,865,469	3,887,800	3.98
UNITED STATES TREASURY	6/9/2023	9/30/2027	6,517,012	6,525,415	3.96
UNITED STATES TREASURY	6/26/2023	11/15/2026	2,554,385	2,659,113	4.02
UNITED STATES TREASURY	6/30/2023	6/15/2026	5,446,719	5,499,780	4.12
UNITED STATES TREASURY	7/5/2023	12/31/2026	7,083,689	7,500,499	3.99
UNITED STATES TREASURY UNITED STATES TREASURY	8/1/2023 8/3/2023	7/15/2026 7/15/2026	1,334,009 6,986,875	1,342,930 7,041,580	4.05 4.05
UNITED STATES TREASURY	8/4/2023	7/15/2026	2,494,141	2,514,850	4.05
UNITED STATES TREASURY	9/1/2023	8/15/2026	9,853,594	9,946,035	4.04
UNITED STATES TREASURY	9/6/2023	8/31/2028	220,060	222,724	3.99
UNITED STATES TREASURY	9/11/2023	8/15/2026	1,980,625	2,009,300	4.04
UNITED STATES TREASURY	9/12/2023	8/15/2026	6,441,855	6,530,225	4.04
UNITED STATES TREASURY	9/15/2023	8/15/2026	5,448,223	5,525,575 5,235,120	4.04
UNITED STATES TREASURY UNITED STATES TREASURY	9/19/2023 9/22/2023	12/31/2026 8/15/2026	4,933,887 543,641	5,235,120 552,558	3.99 4.04
UNITED STATES TREASURY	9/22/2023	2/28/2026	9,425,801	10,129,875	4.14
UNITED STATES TREASURY	10/2/2023	9/30/2028	6,785,827	6,921,160	4.00
UNITED STATES TREASURY	10/5/2023	9/15/2026	4,467,129	4,539,375	4.03
UNITED STATES TREASURY	10/17/2023	9/30/2028	1,444,279	1,480,189	4.00
UNITED STATES TREASURY	11/1/2023	9/30/2028	6,762,269	6,961,992	4.00
UNITED STATES TREASURY	11/1/2023	10/15/2026	4,367,688	4,440,392	4.03
UNITED STATES TREASURY UNITED STATES TREASURY	11/10/2023 11/14/2023	10/15/2026 10/15/2026	3,988,750 4,974,609	4,036,720 5,045,900	4.03 4.03
ONITED OTATES TREASURT	11/14/2023	10/13/2020	4,974,009	3,043,900	4.03

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	11/15/2023	11/15/2026	5,739,809	5,831,191	4.03
UNITED STATES TREASURY	12/1/2023	11/30/2028	6,415,842	6,477,687	4.00
UNITED STATES TREASURY	12/11/2023	11/15/2026	10,332,480	10,349,733	4.03
UNITED STATES TREASURY	12/12/2023	11/15/2026	2,808,859	2,827,244	4.03
UNITED STATES TREASURY	12/15/2023	11/15/2026	4,775,420	4,796,218	4.03
UNITED STATES TREASURY UNITED STATES TREASURY	1/2/2024 1/5/2024	12/15/2026 12/15/2026	10,465,219 9,561,602	10,423,092 9,557,855	4.02 4.02
UNITED STATES TREASURY	1/9/2024	12/15/2026	5,036,328	5,030,450	4.02
UNITED STATES TREASURY	1/11/2024	6/30/2027	6,514,965	6,594,542	3.96
UNITED STATES TREASURY	1/19/2024	1/15/2027	2,863,657	2,874,655	4.01
UNITED STATES TREASURY	1/22/2024	12/31/2026	2,617,289	2,708,084	3.99
UNITED STATES TREASURY	1/22/2024	12/31/2026	8,739,629	9,042,480	3.99
UNITED STATES TREASURY	2/1/2024	1/15/2027	10,395,058	10,393,753	4.01
UNITED STATES TREASURY	2/8/2024	8/31/2026	19,873,301	20,673,590	4.03
UNITED STATES TREASURY UNITED STATES TREASURY	2/15/2024 2/16/2024	8/31/2026 2/15/2027	13,678,711 3,219,785	14,290,500 3,257,605	4.03 4.00
UNITED STATES TREASURY	2/20/2024	2/15/2027	1,877,679	1,899,434	4.00
UNITED STATES TREASURY	3/1/2024	2/15/2027	16,567,753	16,749,101	4.00
UNITED STATES TREASURY	3/12/2024	2/15/2027	7,964,063	8,018,720	4.00
UNITED STATES TREASURY	3/15/2024	11/15/2028	4,757,617	4,851,550	3.99
UNITED STATES TREASURY	3/15/2024	12/31/2026	7,786,465	8,090,938	3.99
UNITED STATES TREASURY	4/1/2024	2/28/2029	936,753	943,368	4.01
UNITED STATES TREASURY	4/1/2024	3/15/2027	761,773	768,794	3.99
UNITED STATES TREASURY UNITED STATES TREASURY	4/5/2024 4/8/2024	3/15/2027 3/15/2027	4,889,986 4,219,287	4,949,428 4,271,080	3.99 3.99
UNITED STATES TREASURY	4/15/2024	4/15/2027	4,096,797	4,141,820	3.99
UNITED STATES TREASURY	4/19/2024	8/15/2028	9,283,594	9,644,100	3.99
UNITED STATES TREASURY	5/1/2024	4/15/2027	618,604	631,375	3.99
UNITED STATES TREASURY	5/13/2024	4/15/2027	4,106,953	4,167,075	3.99
UNITED STATES TREASURY	5/20/2024	6/30/2027	4,073,523	4,163,245	3.96
UNITED STATES TREASURY	5/20/2024	8/31/2026	3,111,531	3,239,031	4.03
UNITED STATES TREASURY	5/28/2024	5/15/2027	1,739,609	1,768,725	3.99
UNITED STATES TREASURY UNITED STATES TREASURY	6/3/2024	5/31/2029	999,180	1,019,060 13,250,277	4.01
UNITED STATES TREASURY	6/3/2024 6/11/2024	5/15/2027 5/15/2027	13,039,841 6,942,813	7,024,365	3.99 3.99
UNITED STATES TREASURY	6/12/2024	5/15/2027	1,993,047	2,021,400	3.99
UNITED STATES TREASURY	6/17/2024	5/15/2027	4,437,311	4,497,615	3.99
UNITED STATES TREASURY	7/1/2024	6/15/2027	3,756,849	3,797,655	3.98
UNITED STATES TREASURY	7/2/2024	10/31/2027	5,342,742	5,568,156	3.98
UNITED STATES TREASURY	7/3/2024	3/31/2027	7,438,488	7,620,937	3.97
UNITED STATES TREASURY	7/3/2024	3/31/2027	6,467,221	6,624,516	3.98
UNITED STATES TREASURY	7/5/2024	5/15/2027	10,468,418	10,612,350	3.99
UNITED STATES TREASURY UNITED STATES TREASURY	8/1/2024 8/5/2024	7/15/2027 7/15/2027	15,348,419 4,981,561	15,355,001 4,968,685	3.98 3.98
UNITED STATES TREASURY	8/5/2024	7/31/2026	5,674,719	5,674,917	4.05
UNITED STATES TREASURY	8/12/2024	7/15/2027	8,643,955	8,590,648	4.06
UNITED STATES TREASURY	8/16/2024	7/31/2029	2,018,750	1,999,540	4.01
UNITED STATES TREASURY	8/16/2024	6/30/2029	3,190,311	3,175,727	4.02
UNITED STATES TREASURY	8/16/2024	12/31/2028	11,160,625	11,098,500	4.01
UNITED STATES TREASURY	8/16/2024	8/15/2028	1,928,359	1,928,820	3.99
UNITED STATES TREASURY	8/16/2024	5/31/2028 2/29/2028	4,115,146	4,104,609	3.99
UNITED STATES TREASURY UNITED STATES TREASURY	8/16/2024 8/16/2024	10/31/2027	2,008,984 2,560,436	2,001,180 2,601,516	3.98 3.98
UNITED STATES TREASURY	8/21/2024	12/31/2026	9,320,309	9,423,216	3.99
UNITED STATES TREASURY	8/21/2024	7/31/2026	2,263,184	2,259,923	4.05
UNITED STATES TREASURY	9/3/2024	4/30/2029	2,893,008	2,871,090	4.00
UNITED STATES TREASURY	9/3/2024	5/31/2028	2,989,102	2,967,420	3.98
UNITED STATES TREASURY	9/3/2024	8/15/2027	8,781,178	8,738,000	3.98
UNITED STATES TREASURY	9/10/2024	8/15/2027	11,546,270	11,438,475	3.98
UNITED STATES TREASURY UNITED STATES TREASURY	9/12/2024	8/31/2026	3,878,466 4,828,516	3,853,204 4,756,450	4.05
UNITED STATES TREASURY	9/26/2024 9/27/2024	5/31/2029 6/30/2029	3,771,809	3,709,638	4.01 4.01
UNITED STATES TREASURY	9/27/2024	11/15/2027	4,817,578	4,781,050	3.97
UNITED STATES TREASURY	9/27/2024	9/15/2027	1,421,382	1,404,623	3.97
UNITED STATES TREASURY	9/30/2024	9/30/2029	6,637,271	6,508,688	4.01
UNITED STATES TREASURY	9/30/2024	2/15/2028	7,320,703	7,246,875	3.97
UNITED STATES TREASURY	9/30/2024	9/15/2027	3,087,285	3,055,670	3.97
UNITED STATES TREASURY	10/1/2024	9/30/2029	34,159,484	33,551,550	4.01
UNITED STATES TREASURY	10/1/2024	9/15/2027	23,411,266	23,203,378	3.97
UNITED STATES TREASURY UNITED STATES TREASURY	10/3/2024	12/31/2028	2,316,262	2,279,156	4.01
UNITED STATES TREASURY UNITED STATES TREASURY	10/3/2024 10/3/2024	10/31/2027 3/31/2027	3,645,000 18,519,805	3,651,250 18,445,580	3.98 3.97
UNITED STATES TREASURY	10/3/2024	1/31/2029	3,298,750	3,249,740	4.00
UNITED STATES TREASURY	10/4/2024	11/15/2028	2,065,219	2,037,651	3.99
UNITED STATES TREASURY	10/4/2024	9/15/2027	14,431,348	14,292,650	3.97
UNITED STATES TREASURY	10/7/2024	5/31/2029	2,862,422	2,853,870	4.01
UNITED STATES TREASURY	10/7/2024	3/31/2027	5,125,170	5,135,638	3.97
UNITED STATES TREASURY	10/8/2024	10/31/2027	902,305	912,813	3.98
UNITED STATES TREASURY UNITED STATES TREASURY	10/8/2024 10/8/2024	6/30/2027 6/30/2027	3,932,344 6,635,830	3,936,875 6,643,755	3.96 3.96
UNITED STATES TREASURY UNITED STATES TREASURY	10/8/2024	8/31/2028	1,883,025	1,872,903	3.96
UNITED STATES TREASURY	10/9/2024	3/31/2027	4,836,914	4,853,125	3.98
UNITED STATES TREASURY	10/22/2024	11/15/2028	2,333,063	2,328,744	3.99
UNITED STATES TREASURY	10/25/2024	7/31/2028	3,513,809	3,516,275	3.98

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	10/29/2024	1/31/2029	2,238,750	2,249,820	4.00
UNITED STATES TREASURY	10/29/2024	10/15/2027	1,987,813	1,995,000	3.98
UNITED STATES TREASURY	10/31/2024	7/31/2029	8,956,406	8,997,930	4.01
UNITED STATES TREASURY	11/1/2024	10/15/2027	28,308,905	28,428,750	3.98
UNITED STATES TREASURY UNITED STATES TREASURY	11/4/2024 11/4/2024	2/15/2029 10/15/2027	1,878,281 3,820,674	1,900,000 3,840,375	4.00 3.98
UNITED STATES TREASURY	11/5/2024	6/30/2027	1,887,637	1,899,622	3.96
UNITED STATES TREASURY	11/7/2024	10/31/2027	1,612,547	1,643,063	3.98
UNITED STATES TREASURY	11/7/2024	10/31/2027	3,673,023	3,742,849	3.97
UNITED STATES TREASURY	11/7/2024	10/15/2027	1,982,500	1,995,000	3.98
UNITED STATES TREASURY	11/12/2024	10/31/2029	2,493,262	2,511,725	4.01
UNITED STATES TREASURY	11/12/2024	12/31/2027	3,963,125	3,990,000	3.97
UNITED STATES TREASURY UNITED STATES TREASURY	11/15/2024 11/22/2024	1/31/2028 10/31/2026	7,317,480 3,844,168	7,402,425 3,866,022	3.98 4.03
UNITED STATES TREASURY	11/26/2024	11/15/2027	696,227	702,597	3.98
UNITED STATES TREASURY	11/26/2024	10/31/2026	696,746	701,092	4.03
UNITED STATES TREASURY	11/27/2024	1/31/2029	7,929,375	7,999,360	4.00
UNITED STATES TREASURY	11/27/2024	7/31/2028	3,983,750	4,018,600	3.98
UNITED STATES TREASURY	12/2/2024	11/30/2029	10,892,504	10,926,089	4.00
UNITED STATES TREASURY UNITED STATES TREASURY	12/2/2024 12/6/2024	11/15/2027 11/15/2027	6,205,491 3,820,368	6,228,021 3,839,191	3.98 3.98
UNITED STATES TREASURY	12/9/2024	11/30/2027	1,946,593	1,950,010	4.00
UNITED STATES TREASURY	12/10/2024	11/30/2029	4,009,844	4,020,640	4.00
UNITED STATES TREASURY	12/10/2024	11/15/2027	3,827,689	3,839,191	3.98
UNITED STATES TREASURY	12/16/2024	2/28/2029	7,999,063	8,071,600	4.01
UNITED STATES TREASURY	12/16/2024	11/15/2027	3,825,149	3,839,191	3.98
UNITED STATES TREASURY	12/17/2024	12/15/2027	2,981,016	3,002,580	3.97
UNITED STATES TREASURY UNITED STATES TREASURY	12/18/2024 12/20/2024	11/30/2027 6/30/2028	3,839,429 7,409,473	3,864,576 7,504,425	3.98 3.98
UNITED STATES TREASURY	12/24/2024	10/31/2027	6,102,734	6,207,652	3.96
UNITED STATES TREASURY	12/24/2024	6/30/2027	7,308,398	7,381,950	3.96
UNITED STATES TREASURY	1/2/2025	12/31/2029	5,486,569	5,575,809	4.02
UNITED STATES TREASURY	1/2/2025	12/15/2027	15,366,534	15,498,317	3.97
UNITED STATES TREASURY	1/9/2025	12/31/2029	995,586	1,015,630	4.02
UNITED STATES TREASURY	1/13/2025 1/13/2025	12/31/2029	2,483,594	2,539,075	4.02
UNITED STATES TREASURY UNITED STATES TREASURY	1/13/2025	6/30/2029 5/31/2028	2,182,754 7,629,050	2,230,281 7,744,966	4.02 3.98
UNITED STATES TREASURY	1/15/2025	1/15/2028	3,840,525	3,878,567	3.97
UNITED STATES TREASURY	2/3/2025	1/15/2028	9,102,866	9,172,559	3.97
UNITED STATES TREASURY	2/6/2025	2/28/2029	996,641	1,008,950	4.01
UNITED STATES TREASURY	2/6/2025	1/15/2028	3,848,346	3,878,567	3.97
UNITED STATES TREASURY	2/10/2025	2/28/2029	997,031	1,008,950	4.01
UNITED STATES TREASURY	2/10/2025 2/10/2025	1/15/2028	1,747,881	1,762,985	3.97 3.98
UNITED STATES TREASURY UNITED STATES TREASURY	2/10/2025	10/15/2027 6/15/2027	677,775 1,914,473	683,288 1,926,714	3.98
UNITED STATES TREASURY	2/13/2025	6/30/2029	1,927,395	1,963,617	4.02
UNITED STATES TREASURY	2/13/2025	10/31/2027	4,621,126	4,678,561	3.97
UNITED STATES TREASURY	2/13/2025	10/15/2027	7,403,613	7,481,250	3.98
UNITED STATES TREASURY	2/18/2025	1/31/2027	1,845,736	1,854,052	4.00
UNITED STATES TREASURY	2/18/2025	1/31/2027	314,274	315,198	4.09
UNITED STATES TREASURY	2/18/2025	6/15/2026 6/15/2026	723,811 643,942	725,624	4.05 4.12
UNITED STATES TREASURY	2/18/2025	0/15/2020		644,974	4.12
SUB-TOTA FEDERAL AGENCY/GSE	4L		993,020,946	1,002,797,667	
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	8/14/2026	8,767,160	8,852,888	4.07
FEDERAL FARM CREDIT BANKS FUNDING CORP	9/11/2023	9/1/2026	3,994,800	4,037,080	4.11
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/1/2023	7/30/2026	3,995,640	4,047,880	4.12
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2023	11/15/2027	4,973,700	5,073,700	4.04
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/11/2023	10/4/2027	4,012,000	4,043,520	4.05
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/13/2023	12/7/2026	7,968,800	8,036,720	4.10
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/15/2024	4/10/2029	4,942,000	5,057,650	4.07
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/30/2024	4/30/2029	2,396,400	2,395,776	5.67
FEDERAL FARM CREDIT BANKS FUNDING CORP	5/30/2024	5/8/2026	7,957,920	8,057,440	4.12
FEDERAL FARM CREDIT BANKS FUNDING CORP FEDERAL FARM CREDIT BANKS FUNDING CORP	8/23/2024 9/19/2024	8/16/2027 9/10/2029	4,984,050 3,110,585	4,965,550 3,041,112	4.05 4.08
FEDERAL HOME LOAN BANKS	2/1/2023	12/10/2027	5,105,600	5,031,000	4.00
FEDERAL HOME LOAN BANKS	3/24/2023	3/10/2028	5,108,250	5,071,400	4.00
FEDERAL HOME LOAN BANKS	6/15/2023	3/25/2027	4,830,700	5,012,474	4.11
FEDERAL HOME LOAN BANKS	6/26/2023	8/26/2026	1,783,600	1,908,194	4.10
FEDERAL HOME LOAN BANKS	6/30/2023	6/9/2028	1,996,120	1,999,420	4.01
FEDERAL HOME LOAN BANKS	7/21/2023	6/30/2028	3,965,360	4,001,960	3.98
FEDERAL HOME LOAN BANKS	9/8/2023	9/8/2028	3,979,600	4,048,840	4.00
FEDERAL HOME LOAN BANKS	10/2/2023	9/11/2026	6,931,120	7,056,770	4.07
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/23/2024 12/6/2021	11/17/2026 8/25/2025	5,056,950 7,771,280	5,045,350	4.07 4.25
FEDERAL NATIONAL MORTGAGE ASSOCIATION FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/27/2023	8/25/2025 7/24/2026	7,771,280 5,226,860	7,850,880 5,302,226	4.25 4.21
FHMS K-051 A2	5/19/2022	9/25/2025	3,830,994	3,773,693	4.45
FHMS K-051 A2	8/10/2022	9/25/2025	1,910,498	1,910,432	4.45
FHMS K-053 A2	8/9/2022	12/25/2025	3,205,330	3,206,346	4.36
FHMS K-054 A2	2/21/2023	1/25/2026	4,480,033	4,648,981	4.38
FHMS K-054 A2	3/6/2023	1/25/2026	1,443,972	1,510,919	4.38
FHMS K-054 A2	5/15/2023	1/25/2026	4,458,702	4,556,002	4.38
FHMS K-057 A2	3/7/2023	7/25/2026	1,766,852	1,858,922	4.31

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
FHMS K-057 A2	5/23/2023	7/25/2026	2,258,291	2,323,653	4.31
FHMS K-058 A2	4/17/2023	8/25/2026	2,290,781	2,342,040	4.30
FHMS K-059 A2	11/20/2023	9/25/2026	3,078,232	3,191,370	4.30
FHMS K-061 A2	5/24/2023	11/25/2026	1,618,976	1,643,299	4.29
FHMS K-062 A2	7/28/2022	12/25/2026	492,458	483,085	4.28
FHMS K-062 A2	11/13/2023	12/25/2026	1,904,297	1,967,760	4.28
FHMS K-062 A2	8/30/2024	12/25/2026	1,178,766	1,180,493	4.29
FHMS K-063 A2	7/29/2022	1/25/2027	4,743,179	4,640,362	4.28
FHMS K-063 A2	12/9/2022	1/25/2027	3,872,656	3,936,680	4.28
FHMS K-063 A2	10/20/2023	1/25/2027	1,720,633	1,796,110	4.28
FHMS K-065 A2	5/1/2023	4/25/2027	1,162,125	1,175,496	4.21
FHMS K-065 A2	5/14/2024	4/25/2027	2,716,963	2,791,803	4.21
FHMS K-066 A2	7/29/2022	6/25/2027	521,186	512,048	4.26
FHMS K-066 A2	7/15/2024	6/25/2027	2,055,770	2,096,960	4.26
FHMS K-067 A2	4/18/2023	7/25/2027	3,858,125	3,899,760	4.27
FHMS K-068 A2	5/17/2023	8/25/2027	2,912,461	2,926,350	4.27
FHMS K-068 A2	6/21/2024	8/25/2027	2,575,758	2,633,715	4.27
FHMS K-068 A2	8/19/2024	8/25/2027	778,531	780,360	4.27
FHMS K-069 A2	6/14/2023	9/25/2027	3,768,160	3,848,792	4.27
FHMS K-069 A2	6/21/2024	9/25/2027	2,539,338	2,597,934	4.27
FHMS K-069 A2	12/31/2024	9/25/2027	951,537	961,782	4.28
FHMS K-070 A2	8/1/2024	11/25/2027	1,851,685	1,876,798	4.27
FHMS K-070 A2	12/31/2024	11/25/2027	1,118,131	1,130,414	4.29
FHMS K-073 A2	5/30/2023	1/25/2028	6,511,410	6,604,473	4.27
FHMS K-081 A2	3/25/2024	8/25/2028	4,803,447	4,889,990	4.27
FHMS K-084 A2	12/12/2024	10/25/2028	3,916,250	3,929,880	4.28
FHMS K-092 A2	9/24/2024	4/25/2029	1,954,531	1,924,280	4.30
FHMS K-093 A2	10/21/2024	5/25/2029	2,858,438	2,852,400	4.31
FHMS K-101 A1	12/31/2024	7/25/2029	754,100	761,721	4.55
FHMS K-507 A2	10/15/2024	9/25/2028	1,267,578	1,267,713	4.30
FHMS K-509 A2	10/15/2024	9/25/2028	1,524,492	1,522,530	4.33
FHMS K-513 A2	9/30/2024	12/25/2028	1,645,875	1,618,704	4.34
FHMS K-517 A2	9/30/2024	1/25/2029	1,579,863	1,550,775	4.35
FHMS K-518 A2	9/30/2024	1/25/2029	1,605,301 1,405,262	1,578,817	4.35
FHMS K-520 A2	9/30/2024	3/25/2029		1,383,386	4.35
FHMS K-528 A2	9/12/2024	7/25/2029	566,089	558,008	4.34
FHMS K-529 A2	10/16/2024	9/25/2029	974,088	970,777	4.36
FHMS K-530 A2 FHMS K-531 A2	11/27/2024 12/12/2024	9/25/2029 10/25/2029	1,201,222 803,634	1,214,861 808,504	4.35 4.35
FHMS K-733 A2	3/9/2023	8/25/2025	1,728,433	1,775,448	4.51
FHMS K-734 A2	4/24/2023	2/25/2026	1,911,213	1,957,359	4.39
FHMS K-736 A2	10/11/2023	7/25/2026	2,443,650	2,569,799	4.30
FHMS K-739 A2	11/4/2024	9/25/2027	4,408,481	4,469,878	4.25
FHMS K-748 A2	8/22/2024	1/25/2029	1,847,109	1,854,580	4.33
FHMS K-750 A2	11/4/2024	9/25/2029	1,881,406	1,897,580	4.34
FHMS K-S07 A2	7/28/2022	9/25/2025	489,922	493,765	4.71
FHMS K-S08 A2	9/16/2022	3/25/2027	894,504	902,476	4.46
FHMS K-S08 A2	1/13/2023	3/25/2027	456,260	463,434	4.46
FHR 3778 L	5/11/2022	12/15/2025	42,528	41,935	5.06
FHR 3806 L	4/9/2021	2/15/2026	27,666	26,013	5.17
FHR 3806 L FHR 3806 L	12/10/2021 5/5/2022	2/15/2026 2/15/2026	4,060 192,961	3,539 189,64 <i>7</i>	5.17 5.17
FN AM8730	5/21/2021	7/1/2025	1,560,624	1,447,763	4.62
FN AN0571	5/1/2023	1/1/2026	582,703	592,512	4.62
FN AN1793	5/12/2023	6/1/2026	344,930	353,385	4.46
FN AN6001	4/24/2023	7/1/2027	502,670	516,250	4.54
FN BL5365	9/26/2022	2/1/2027	288,055	301,255	4.26
FNA 2012-M14 AL	4/26/2023	9/25/2027	3,554,604	3,612,377	5.86
FNA 2016-M03 A2	7/28/2022	2/25/2026	1,281,850	1,284,337	4.80
FNA 2016-M03 A2	10/12/2022	2/25/2026	1,612,300	1,680,440	4.80
FNA 2017-M2 A2	4/19/2023	2/25/2027	375,542	386,123	5.06
FNA 2017-M2 A2	5/1/2023	2/25/2027	896,406	915,255	5.06
FNA 2018-M1 A2	4/21/2023	12/25/2027	644,476	659,018	4.88
FNA 2024-M6 A2	12/17/2024	7/25/2027	3,932,375.00	3,959,229.25	4.83
FNGT 2017-T1 A FNGT 2017-T1 A	2/20/2024	6/25/2027	2,649,189.19	2,719,502.08	4.43 4.43
FRESB 2018-SB52 10F	3/4/2024 11/18/2024	6/25/2027 6/25/2028	928,806.50 572,863.96	954,211.26 574,730.41	4.43
1 NEGB 2010-0B32 101	SUB-TOTAL	0/20/2020	249,350,083	252,178,849	4.03
MEDIUM TERM NOTES	GOD-TOTAL		249,330,003	232,170,049	
ABBVIE INC	6/13/2024	11/21/2026	4,703,375	4,811,676	4.34
ABBVIE INC	8/6/2024	3/15/2029	352,345	348,671	4.50
ABBVIE INC	9/19/2024	3/15/2029	1,197,468	1,170,468	4.55
ACCENTURE CAPITAL INC	10/4/2024	10/4/2029	544,046	536,089	4.45
ACCENTURE CAPITAL INC	10/4/2024	10/4/2027	569,265	564,693	4.28
ADOBE INC	4/4/2024	4/4/2027	1,544,228	1,563,602	4.22
ADOBE INC	1/17/2025	1/17/2028	2,398,728	2,435,904	4.18
AIR PRODUCTS AND CHEMICALS INC	2/13/2024	5/15/2027	1,829,260	1,898,800	4.27
AIR PRODUCTS AND CHEMICALS INC	9/3/2024	2/8/2029	509,605	504,065	4.37
AMAZON.COM INC	7/15/2024	8/22/2027	3,819,680	3,900,640	4.21
AMERICAN EXPRESS CO	11/4/2021	11/4/2026	560,000	561,742	4.77
AMERICAN EXPRESS CO	8/3/2022	8/1/2025	2,452,545	2,448,568	4.57
AMERICAN EXPRESS CO AMERICAN EXPRESS CO	7/28/2023	7/28/2027	2,445,000 765,000	2,474,364 773,667	4.50 4.60
AWILMOAN LAFILLOG GO	10/30/2023	10/30/2026	700,000	113,001	4.00

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
AMERICAN EXPRESS CO	4/25/2024	4/23/2027	595,000	602,176	4.86
AMERICAN EXPRESS CO	7/26/2024	7/26/2028	475,000	480,273	4.80
AMERICAN HONDA FINANCE CORP	7/7/2023	7/7/2026	1,243,469	1,258,483	4.42
AMERICAN HONDA FINANCE CORP APPLE INC	9/13/2024 2/27/2023	9/5/2029 2/23/2026	804,152 1,916,880	790,464 1,979,280	4.70 4.33
APPLE INC	3/23/2023	2/23/2026	1,938,220	1,979,280	4.33
ASTRAZENECA FINANCE LLC	2/26/2024	2/26/2027	1,712,119	1,732,219	4.25
ATHENE GLOBAL FUNDING	3/26/2024	3/25/2027	2,555,000	2,595,625	4.70
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	1/18/2024	1/18/2027	2,350,000	2,369,482	4.29
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y BANK OF AMERICA CORP	3/18/2024 3/22/2022	3/18/2026 4/2/2026	1,500,000 550,000	1,510,440 549,428	4.32 4.43
BANK OF AMERICA CORP	7/22/2022	7/22/2026	195,000	195,084	4.70
BANK OF AMERICA CORP	1/20/2023	1/20/2027	1,425,000	1,430,971	4.59
BANK OF AMERICA CORP	8/13/2024	4/24/2028	1,757,601	1,768,947	4.69
BANK OF AMERICA CORP BANK OF AMERICA CORP	9/13/2024 11/5/2024	3/5/2029 4/24/2028	492,925 3,820,040	490,275 3,840,855	4.67 4.70
BANK OF AMERICA CORP	11/12/2024	7/23/2029	1,965,280	1,971,780	4.72
BANK OF AMERICA CORP	1/24/2025	1/24/2029	9,625,000	9,710,278	4.65
BANK OF NEW YORK MELLON CORP	4/26/2022	4/25/2025	1,229,828	1,227,725	4.48
BANK OF NEW YORK MELLON CORP	7/26/2022	7/24/2026	3,510,000	3,506,630	4.64
BANK OF NEW YORK MELLON CORP BANK OF NEW YORK MELLON CORP	8/31/2022 7/22/2024	1/26/2027 7/21/2028	3,695,080 2,050,000	3,844,960 2,067,651	4.18 4.71
BANK OF NEW YORK MELLON CORP	9/13/2024	4/28/2028	746,340	741,390	4.24
BLACKROCK INC	7/26/2024	7/26/2027	7,240,233	7,286,730	4.27
BMW US CAPITAL LLC	4/1/2022	4/1/2025	194,817	194,739	4.66
BMW US CAPITAL LLC BMW US CAPITAL LLC	4/2/2024	4/2/2027	2,447,085	2,468,155	4.52 4.54
BMW US CAPITAL LLC BMW US CAPITAL LLC	8/13/2024 8/13/2024	4/2/2027 8/13/2026	964,149 3,964,921	961,808 3,975,428	4.54 4.46
BMW US CAPITAL LLC	8/16/2024	8/13/2026	1,664,184	1,669,619	4.45
BP CAPITAL MARKETS AMERICA INC	5/17/2024	11/17/2027	2,700,000	2,741,742	4.39
BRISTOL-MYERS SQUIBB CO	2/22/2024	2/22/2027	1,178,726	1,193,369	4.27
BRISTOL-MYERS SQUIBB CO	8/6/2024	2/22/2029	353,211	350,292	4.47
CADENCE DESIGN SYSTEMS INC CAMDEN PROPERTY TRUST	9/10/2024 11/3/2023	9/10/2027 11/3/2026	1,539,738 2,449,927	1,529,343 2,504,145	4.49 4.40
CATERPILLAR FINANCIAL SERVICES CORP	5/14/2024	5/14/2027	2,562,179	2,603,193	4.28
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2024	5/14/2027	5,014,650	5,074,450	4.28
CATERPILLAR FINANCIAL SERVICES CORP	8/16/2024	8/16/2029	728,022	726,919	4.48
CATERPILLAR FINANCIAL SERVICES CORP	8/16/2024	10/15/2027	1,319,340	1,322,376	4.33
CATERPILLAR FINANCIAL SERVICES CORP CATERPILLAR FINANCIAL SERVICES CORP	8/16/2024 11/15/2024	10/16/2026 11/15/2029	3,267,449 549,104	3,281,216 555,918	4.23 4.44
CATERPILLAR FINANCIAL SERVICES CORP	11/15/2024	11/15/2027	1,248,925	1,259,350	4.30
CATERPILLAR FINANCIAL SERVICES CORP	1/8/2025	1/8/2030	1,542,018	1,568,407	4.45
CATERPILLAR FINANCIAL SERVICES CORP	1/8/2025	1/7/2027	999,550	1,006,000	4.16
CENCORA INC CHEVRON USA INC	12/9/2024 2/26/2025	12/15/2027 2/26/2028	419,223 7,960,000	420,748 7,999,084	4.55 4.30
CHEVRON USA INC	2/26/2025	2/26/2027	1,885,000	1,890,649	4.25
CHUBB INA HOLDINGS LLC	8/28/2023	5/3/2026	1,651,406	1,709,551	4.39
CHUBB INA HOLDINGS LLC	12/29/2023	5/3/2026	2,207,530	2,243,169	4.39
CINTAS NO 2 CORP	5/3/2022	5/1/2025	414,909	414,079	4.68
CISCO SYSTEMS INC CISCO SYSTEMS INC	2/26/2024 3/4/2024	2/26/2027 2/26/2027	5,802,447 2,336,261	5,876,176 2,361,596	4.18 4.18
CISCO SYSTEMS INC	8/19/2024	2/26/2027	1,286,599	1,282,733	4.25
CISCO SYSTEMS INC	2/24/2025	2/24/2030	124,906	126,320	4.51
CITIBANK NA	12/4/2023	12/4/2026	1,440,000	1,465,301	4.39
CITIBANK NA	4/30/2024	4/30/2026	1,005,000	1,016,246	4.37 4.51
CITIBANK NA CITIBANK NA	8/6/2024 8/6/2024	9/29/2028 8/6/2026	722,692 1,095,000	718,656 1,102,101	4.43
CITIBANK NA	8/6/2024	8/6/2026	4,310,000	4,340,773	4.38
CITIBANK NA	11/19/2024	11/19/2027	1,925,000	1,934,394	4.57
COMCAST CORP	9/13/2024	6/1/2029	624,444	612,768	4.53
COMCAST CORP COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	11/5/2024 3/13/2023	4/1/2027 3/13/2026	3,812,544 1,725,000	3,828,987 1,742,405	4.41 4.31
COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/9/2024	1/9/2026	749,715	753,120	4.35
COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	9/3/2024	1/9/2029	510,175	507,470	4.37
COREBRIDGE GLOBAL FUNDING	8/22/2024	8/20/2027	1,859,702	1,865,096	4.53
COREBRIDGE GLOBAL FUNDING	1/9/2025	1/7/2028	590,000	595,045	4.58
DTE ELECTRIC CO DTE ELECTRIC CO	2/29/2024 8/16/2024	12/1/2026 12/1/2026	3,459,446 1,411,252	3,495,396 1,406,510	4.24 4.35
DUKE ENERGY CAROLINAS LLC	12/12/2023	11/15/2028	3,653,676	3,748,430	4.43
DUKE ENERGY CAROLINAS LLC	2/28/2025	2/1/2030	1,804,900	1,813,520	4.59
ELI LILLY AND CO	2/9/2024	2/9/2027	2,468,691	2,485,487	4.15
ELI LILLY AND CO	8/14/2024	8/14/2029	1,137,503	1,131,906	4.38
ELI LILLY AND CO ELI LILLY AND CO	8/16/2024 2/12/2025	2/9/2029 2/12/2030	1,516,917 324,815	1,505,226 329,245	4.31 4.45
ELI LILLY AND CO	2/12/2025	2/12/2028	664,574	670,027	4.27
ENTERPRISE PRODUCTS OPERATING LLC	1/11/2024	1/11/2027	2,562,358	2,575,209	4.37
FIFTH THIRD BANK NA	1/28/2025	1/28/2028	1,015,000	1,021,141	4.63
FLORIDA POWER & LIGHT CO FLORIDA POWER & LIGHT CO	7/24/2023	5/15/2028 5/15/2028	3,935,680 862,019	4,001,400 850,351	4.39 4.38
GEORGIA POWER & LIGHT CO	9/19/2024 11/6/2024	5/15/2028 9/15/2029	862,019 1,762,476	850,351 1,777,165	4.38 4.60
GOLDMAN SACHS BANK USA	3/18/2024	3/18/2027	2,220,000	2,235,518	4.59
GOLDMAN SACHS BANK USA	5/21/2024	5/21/2027	1,265,000	1,278,776	4.49
GOLDMAN SACHS GROUP INC	8/10/2023	8/10/2026	2,775,000	2,788,098	4.71
GOLDMAN SACHS GROUP INC	11/14/2023	11/16/2026	1,937,324	2,041,655	4.48

DOLDMAN SACHS GROUP INC	DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
HERSINEY CO	GOLDMAN SACHS GROUP INC					
HERSIFY CO	GUARDIAN LIFE GLOBAL FUNDING	9/26/2024	9/26/2029	595,000	585,861	4.55
HOME DEPOT IN C						
MOMED EPOT INC						
FOME DEPOT IN CHARGE PROPERTY 5,965,907 5,965,007 4.24 FOME DEPOT IN CHARGE PROPERTY 5,965,007 5,965,007 4.24 FORMER PROPERTY 5,905,000 5,000 5,000 5,000 5,000 FORMER PROPERTY 5,900,000 5,						
HOME DEPOT INC.						
HONEYPELL INTERNATIONAL INC						
HOMBET, POODS CORP MINITERCT NATIONAL BANK 200205 APPLICATION CONTROL AND CO						
HYUNDA CAPITAL AMERICA 1970-2079	HORMEL FOODS CORP					4.33
HYUNDA CAPITAL AMERICA 1973/2024 19/2027 14/20.208 14/0 INTERCONTINENTAL EXCHANGE INC 1973/2024 19/2026 16/01.408 11/01/16/0 1973/2024 19/2026 16/01.408 11/01/16/0 1973/2024 19/2026 16/01.408 11/01/16/0 1973/2024 19/2026 16/01.408 11/01/16/0 1973/2024 19/2029 19/						
INTERCONTINENTAL EXCHANGE INC						
JACKSON NATIONAL LIFE GLOBAL FINDING 4172022 4172023 4172024 4172023 4172024 4172025 4172025 4172026 4						
JACKSON NATIONAL LIFE GLOBAL FUNDING HORDERE CAPITAL CORP HORDER GRAPE						
JOHN DEERE CAPITIAL CORP 198/2023 68/2026 55.678 58.648 42.4 JOHN DEERE CAPITIAL CORP 198/2024 18/2027 39/8/80 1.006,030 4.201 JOHN DEERE CAPITIAL CORP 198/2024 18/2027 39/8/80 1.006,030 4.201 JOHN DEERE CAPITIAL CORP 61/197/2024 18/2027 39/8/80 1.006,030 4.201 JOHN DEERE CAPITIAL CORP 81/2024 18/2027 39/8/80 2.004,940 4.201 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 2.046,940 2.201 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 2.046,940 2.201 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 2.046,940 2.201 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 17/31,977 1.731,956 4.44 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 17/31,977 1.731,956 4.44 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 17/31,977 1.731,956 4.44 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 17/31,977 1.731,956 4.44 JOHN DEERE CAPITIAL CORP 98/2024 67/19/2029 17/31,977 1.731,956 4.44 JOHN DEERE CAPITIAL CORP 98/2024 17/32/2029 17/31,977 1.731,956 4.44 JOHN DEERE CAPITIAL CORP 98/2024 17/32/2029 17/31,978 1.931,978 1.44 JOHN DEERE CAPITIAL CORP 98/2024 17/32/2029 17/31,978 1.931,978 1.44 JOHN DEERE CAPITIAL CORP 98/2024 17/32/2029 17/31/31,978 1.44 JOHN DEERE CAPITIAL CORP 98/2024 17/32/2029 17/31/31,978 1.44 JOHN DEERE CAPITIAL CORP 98/2029 17/31						
JOHN DEERE CAPITAL CORP 377024 377024 377024 377026 377027 37702						
JOHN DEERE CAPITAL CORP JOHN D	JOHN DEERE CAPITAL CORP	1/8/2024	1/8/2027	998,890	1,005,030	4.21
JOHN DEERE CAPITAL CORP JOHN DEERE CAPITAL CORP JOHN DEERE CAPITAL CORP JOHN DEERE CAPITAL CORP BROUGHA (F170207 173-757 173-758 173-758 174-7						
JOHN DEERE CAPITAL CORP 98/20/24 6911/20/29 1/04/24/757 1733-689 4.29 JOHNSON 3-DOHNSON 22/30/22/5 31/20/38 1,044,394 1,053,3914 4.24 JOHNSON 3-DOHNSON 22/30/22/5 31/20/38 1,044,394 1,053,3914 4.24 JOHNSON 3-DOHNSON 22/30/22/5 31/20/38 1,044,394 1,053,3914 4.24 JOHNSON 4-DOHNSON 4-DOHNSON 22/30/22/5 31/20/38 1,044,394 1,053,3914 4.24 JPADORGAN CHASE & CO 10/23/20/34 10/22/20/27 1,255,500 1,053,3914 4.24 JPADORGAN CHASE & CO 10/23/20/34 10/22/20/27 1,205,000 1,502,02/4 4.59 JPADORGAN CHASE & CO 4/22/20/34 4/22/20/28 1,400,000 1,502,02/4 4.59 JPADORGAN CHASE & CO 4/22/20/34 4/22/20/28 2,400,000 2,44,512 4.69 JPADORGAN CHASE & CO 5/23/24/4 4/22/20/28 3,941,633 3,947,638 4.59 JPADORGAN CHASE & CO 6/23/24/4 4/22/20/28 3,941,633 3,947,638 4.59 JPADORGAN CHASE & CO 7/22/24/4 4/22/20/28 3,941,633 3,947,638 4.59 JPADORGAN CHASE & CO 9/31/20/24 4/22/20/28 3,941,633 3,947,638 4.59 JPADORGAN CHASE & CO 9/31/20/24 6/22/20/28 3,941,630 5,953,898 4.59 JPADORGAN CHASE & CO 9/31/20/24 6/22/20/28 5,953,998 5,953,998 4.59 JPADORGAN CHASE & CO 9/31/20/24 6/22/20/28 1,950,009 5,953,18 5,953,898 4.59 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,15 4.63 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 2,504,656 4.62 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,15 4.63 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/20/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/24/24 10/22/20/28 1,950,009 8,971,16 4.67 JPADORGAN CHASE & CO 10/22/24/24 10/22/20/28 1,950,0						
JOHN DEERE CAPITAL CORP JOHNSON S. 104394 JOHNSON S. 2020222 JOHNSON S. 30160268 JOHNSON S. 2020222 JOHNSON S. 30160268 JOHNSO						
JOHNSON 3 JOHNSON 2020/2025 31/10/2028 1,044,344 1,043,3						
JPMORGAN CHASE & CO						
JPHORGAN CHASE & CO						
JPHORGAN CHASE & CO	JPMORGAN CHASE & CO	10/18/2023	11/19/2026	2,211,269	2,399,779	4.51
JPMORGAN CHASE & CO	JPMORGAN CHASE & CO	10/23/2023	10/22/2027		1,233,848	
JPHIORSAN CHASE & CO						
JPHORGAN CHASE & CO						
JPHORGAN CHASE & CO						
PIMORGAN CHASE & CO						
JPMORGAN CHASE & CO						
JPMORGAN CHASE BANK NA						
KEYBANK NA 188/2022 8/8/2025 1319 630 1316,740 4 71 KEYBANK NA 1126/2023 126/2023 126/2023 354,705 355,192 4 63 LINCOLN FINANCH GLOBAL FUNDING 11/3/2025 11/3/2023 1590,789 1,598,789 1,598,588 4 78 MST BANK CORP 11/6/2024 11/6/2029 870,000 871,444 4.91 ANDIFACTURERS AND TRADERS TRUST CO 12/17/2023 11/27/2028 340,111 346,280 4.56 MARSH A MCLENNAN COMPANIES INC 11/8/2024 11/8/2027 1,029,019 1,030,457 4.53 MASSMUTUAL GLOBAL FUNDING II 8/6/2022 876/2025 889,093 881,44 4.59 MASSMUTUAL GLOBAL FUNDING II 4/9/2024 4/9/2027 2,614,216 2,653,676 4.36 MASSMUTUAL GLOBAL FUNDING II 8/16/2024 4/9/2027 2,614,216 2,653,676 4.36 MASSMUTUAL GLOBAL FUNDING II 8/16/2024 4/9/2027 2,614,216 2,653,676 4.36 MASSERICARO INC 9/16/2024 1/16/2020 1	JPMORGAN CHASE & CO	1/24/2025	1/24/2029	2,485,000	2,504,582	4.62
EVERYANK NA	JPMORGAN CHASE BANK NA	12/8/2023	12/8/2026	2,965,000	3,003,753	4.30
LINCOLN FINANCIAL GLOBAL FUNDING 11/3/2025 11/3/20203 11/3/20203 11/3/20203 11/3/20203 11/3/20203 1590,739 1590						
NATERNAC ORP 12/17/2024 1/16/2029 1.590.788 1.593.588 4.53 AXT PADERS TRUST CO 12/17/2024 1/16/2029 87.0000 871.444 4.71 AXT PADERS TRUST CO 12/17/2023 12/17/2026 2.430.763 2.433.685 4.71 AXT PADERS TRUST CO 8/8 (2024 11/27/2028 340.111 3/46.290 4.76 AXT PADERS TRUST CO 11/8/2024 11/8/2027 3.366.613 3.374.516 4.49 AXT PADERS TRUST CO 11/8/2024 11/8/2027 1.029.019 1.030.457 4.56 AXR PADERS TRUST CO 11/8/2024 11/8/2027 1.029.019 1.030.457 4.57 AXR PADERS TRUST CO 11/8/2024 11/8/2027 1.029.019 1.030.457 4.57 AXR PADERS TRUST CO 11/8/2024 11/8/2025 889.083 888.104 4.59 AXR PADERS TRUST CO 11/8/2024 11/8/2025 889.083 888.104 4.59 AXR PADERS TRUST CO 11/8/2024 5/30/2029 1.525.333 1.522.489 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.022 1.525.333 1.522.489 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.022 1.525.333 1.522.489 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.022 1.525.333 1.522.489 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.022 1.525.333 1.522.489 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.022 1.525.333 1.522.489 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.032 1.509.032 1.525.439 4.49 AXR PADERS TRUST CO 11/9/2035 1.509.032 1.525.439 4.49 AXR PADERS TRUST CO 11/9/2035 1.525.439 4.509.032 1.525.439 4.5						
MATERANC CORP MANUFACTURERS AND TRADERS TRUST CO 12/17/2023 1/27/2026 2,430,768 2,433,685 4,71 MANUFACTURERS AND TRADERS TRUST CO 8/16/2024 1/27/2028 340,111 346,290 4,56 MARSH & MCLENNAN COMPANIES INC 11/8/2024 11/8/2027 1,029,019 1,030,457 4,53 MASSMITUAL GLOBAL FUNDING II 8/16/2024 1/27/2028 8/26/2022 8/26/2025						
MANUFACTURERS AND TRADERS TRUST CO						
MANUFACTURERS AND TRADERS TRUST CO						
MASSMUTUAL GLOBA FUNDING II 8/20/22 8/26/20/25 889,083 88,104 4.59 MASSMUTUAL GLOBA FUNDING II 44/9/20/24 4/9/20/27 2,614,216 2,653,676 4.36 MASSMUTUAL GLOBAL FUNDING II 8/16/20/24 5/30/20/29 1,525,333 1,522,489 4.49 MASSMUTUAL GLOBAL FUNDING II 1/10/20/25 1/10/2000 1,599,232 1,620,752 4.65 MASTERCARD INC 9/3/20/24 1/15/20/28 1,199,340 1,196,856 4.20 MASSMUTUAL GLOBAL FUNDING II 1/10/20/25 1/10/2000 1,599,232 1,620,752 4.65 MASTERCARD INC 9/3/20/24 1/15/20/28 1,199,340 1,196,856 4.20 MASTERCARD INC 1/2/20/25 3/15/20/28 1,224,069 1,235,119 4.25 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/23/20/3 3/15/20/28 1,224,069 1,235,119 4.25 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/12/20/23 1/11/20/27 1,698,266 1,708,398 4.52 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/12/20/4 1/11/20/27 1,698,266 1,708,399 4.52 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/12/20/4 8/3/20/8 358,474 354,214 4.72 MET TOWER GLOBAL FUNDING 6/13/20/24 8/3/20/8 358,474 354,214 4.72 MET TOWER GLOBAL FUNDING 6/13/20/24 8/3/20/28 358,474 4.59 MET TOWER GLOBAL FUNDING 6/13/20/22 6/13/20/25 1,973,065 1,968,897 4.74 MET TOWER GLOBAL FUNDING 1/0/12/24 10/12/27 494,708 489,100 4.49 META PLATFORMS INC 8/16/20/24 8/15/20/29 1,595,750 1,590,965 4.36 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 8/15/20/29 1,595,750 1,590,965 4.36 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.44 METROPOLITAN LIFE GLOBAL FUNDING 1/16/20/24 6/11/20/27 1,732,849 1,757,842 4.46 MORGAN STANLEY MAN A 1/16/20/24 1/16/20/29 3/49,596 3/49,596 3/49,596 3/49,596 3/49,596 3/49,596 3/49,596 3/4						
MASSMUTUAL GLOBAL FUNDING II 8126/2022 8126/2027 2.614.216 2.663.676 4.36 MASSMUTUAL GLOBAL FUNDING II 41/2024 41/2027 2.614.216 2.653.333 1.522.489 4.49 MASSMUTUAL GLOBAL FUNDING II 11/10/2025 11/10/2030 1.525.333 1.522.489 4.49 MASSMUTUAL GLOBAL FUNDING II 11/10/2025 11/10/2030 1.595.333 1.522.489 4.49 MASSMUTUAL GLOBAL FUNDING II 11/10/2025 11/10/2030 1.599.332 1.620.752 4.65 MASTERCARD INC 96/2024 11/15/2028 1.199.340 1.968.656 4.20 MASTERCARD INC 20/27/2025 31/5/2028 1.224.069 1.235.119 4.26 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/12/2024 7/31/2027 1.688.266 1.708.398 4.52 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 3/12/2024 7/31/2026 4.241.193 4.269 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 3/12/2024 1/31/2027 1.689.266 1.708.398 4.52 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 3/12/202	MARSH & MCLENNAN COMPANIES INC	11/8/2024	11/8/2027	3,366,613	3,374,516	4.49
MASSMUTUAL GLOBAL FUNDING II						
MASSMUTULIA GLOBAL FUNDING II 8/16/2024 55/00/2029 1,525,333 1,522,488 4.49 MASSMUTULIA GLOBAL FUNDING II 11/10/2025 11/10/2030 1,599,322 1,262,752 4.65 MASTERCARD INC 9/6/2024 11/15/2028 1,199,340 1,198,856 4.20 MASTERCARD INC 22/27/2025 3/15/2028 1,224,069 1,235,119 4.25 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 1/11/2024 1/11/2026 1,340,348 1,364,188 4.43 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/1/2024 7/31/2026 4,244,193 4,268 7.708,398 4.52 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/1/2024 7/31/2026 4,244,193 4,268 7.708,398 4.52 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/1/2024 8/1/3/2025 1,973,085 1,968,677 4.40 MET TOWER GLOBAL FUNDING 6/1/3/2022 8/1/3/2025 1,973,085 1,968,68 77 4.42 MET TOWER GLOBAL FUNDING I 1/1/2024 1/1/2027 494,708 489,100 4.49 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td></t<>						
MASSMUTUAL GLOBAL FUNDING II 11/10/2025 11/10/2026 11/10/2028 1,999,232 1,262,752 4,65 MASTERCARD INC 9/5/2024 11/15/2028 1,199,340 1,198,856 4,22 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/23/2025 3/15/2028 1,240,699 1,235,119 4,25 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/12/2024 1/11/2027 1,698,266 1,708,398 4,25 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 8/1/2024 7/31/2026 4,244,193 4,268,772 4,46 MERCEDES-BENZ FINANCE NORTH AMERICA LLC 9/3/2024 8/3/2028 358,474 354,214 4,72 MET TOWER GLOBAL FUNDING 6/13/2022 6/13/2025 1,973,065 1,986,897 4,74 MET TOWER GLOBAL FUNDING I 10/1/2024 8/15/2029 1,595,750 1,590,965 4,36 METROPOLITAN LIFE GLOBAL FUNDING I 3/21/2022 3/21/2025 579,484 579,495 4,12 METROPOLITAN LIFE GLOBAL FUNDING I 1/16/2023 1/6/2026 1,750,000 1,755,642 4,44 METROPOLITAN LIFE G						
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	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	11/2/2023	11/13/2026	1,734,393	1,766,161	4.44

<u>DESCRIPTION</u> NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	<u>SETTLE DATE</u> 2/5/2024	MATURITY DATE 2/5/2027	BOOK VALUE 2,854,144	MARKET VALUE 2,876,727	<u>YIELD</u> 4.37
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	5/10/2024	5/6/2027	2,828,245	2,866,394	4.45
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	8/16/2024	2/5/2027	1,070,070	1,067,465	4.40 4.61
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	9/16/2024 10/2/2024	6/15/2029 6/15/2029	223,329 832,816	219,429 816,480	4.61
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	2/7/2028	864,619.40	872,170.85	4.44
NATIONAL SECURITIES CLEARING CORP	8/6/2024	5/30/2028	353,035.05	350,216.40	4.48
NESTLE HOLDINGS INC	3/14/2023	3/13/2026	579,808.60	585,138.80	4.37
NEVADA POWER CO	8/16/2024	5/1/2029	1,579,360.95	1,581,368.73	4.57
NEW YORK LIFE GLOBAL FUNDING	9/19/2023	9/18/2026	1,384,736.85	1,408,628.10	4.30
NEW YORK LIFE GLOBAL FUNDING NEW YORK LIFE GLOBAL FUNDING	2/8/2024 10/1/2024	9/18/2026 10/1/2027	4,115,934.00 2,739,397.20	4,119,093.00 2,706,270.60	4.30 4.41
NEW YORK LIFE GLOBAL FUNDING	12/5/2024	12/5/2029	2,128,785.90	2,135,665.80	4.54
NEXTERA ENERGY CAPITAL HOLDINGS INC	1/31/2024	1/29/2026	2,608,825.50	2,619,448.20	4.54
NEXTERA ENERGY CAPITAL HOLDINGS INC	2/4/2025	2/4/2028	2,325,000.00	2,335,764.75	4.95
NEXTERA ENERGY CAPITAL HOLDINGS INC	2/4/2025	2/4/2028	1,364,959.05	1,377,175.80	4.52
NIKE INC	3/27/2020	3/27/2025	44,938.80	44,931.60	4.25
NORTHERN TRUST CORP NORTHERN TRUST CORP	11/30/2022 1/13/2023	5/10/2027 5/10/2027	2,442,500.00 1,487,715.00	2,486,850.00 1,492,110.00	4.25 4.25
NORTHWESTERN MUTUAL GLOBAL FUNDING	7/1/2022	7/1/2025	5,003,298.30	4,992,637.65	4.23
NORTHWESTERN MUTUAL GLOBAL FUNDING	4/20/2023	4/6/2026	2,236,430.40	2,243,984.70	4.32
NORTHWESTERN MUTUAL GLOBAL FUNDING	3/25/2024	3/25/2027	1,209,866.90	1,226,141.40	4.39
NORTHWESTERN MUTUAL GLOBAL FUNDING	8/13/2024	3/25/2027	737,404.75	734,699.78	4.39
NORTHWESTERN MUTUAL GLOBAL FUNDING	8/19/2024	6/12/2028	1,322,438.00	1,313,910.00	4.54
NORTHWESTERN MUTUAL GLOBAL FUNDING NORTHWESTERN MUTUAL GLOBAL FUNDING	8/19/2024 9/12/2024	3/25/2027 9/12/2027	739,086.75 819,975.40	734,699.78 814,153.40	4.39 4.41
NORTHWESTERN MUTUAL GLOBAL FUNDING NORTHWESTERN MUTUAL GLOBAL FUNDING	1/13/2025	1/13/2030	1,594,936.20	1,618,685.75	4.41
NOVARTIS CAPITAL CORP	9/18/2024	9/18/2029	927,740.10	909,233.10	4.35
NUVEEN LLC	10/2/2024	11/1/2028	796,880.00	785,240.00	4.55
ONCOR ELECTRIC DELIVERY COMPANY LLC	11/13/2024	11/1/2029	404,226.45	404,878.50	4.66
PACCAR FINANCIAL CORP	4/7/2022	4/7/2025	1,889,508.60	1,886,616.90	4.46
PACCAR FINANCIAL CORP	8/10/2023	8/10/2026	3,593,202.50	3,634,473.10	4.26
PACCAR FINANCIAL CORP PACCAR FINANCIAL CORP	5/13/2024 8/6/2024	5/13/2027 8/6/2027	2,368,175.10 6,486,361.65	2,406,521.70 6,523,642.95	4.26 4.26
PACCAR FINANCIAL CORP	9/26/2024	9/26/2029	254,474.70	250,555.35	4.42
PACCAR FINANCIAL CORP	11/25/2024	11/25/2026	2,343,006.75	2,356,326.35	4.21
PACIFIC LIFE GLOBAL FUNDING II	8/30/2023	8/28/2026	794,721.75	807,879.00	4.37
PACIFIC LIFE GLOBAL FUNDING II	8/6/2024	7/18/2028	358,651.65	355,498.35	4.52
PACIFIC LIFE GLOBAL FUNDING II	8/16/2024	7/18/2028	1,001,563.80	999,324.07	4.53
PACIFIC LIFE GLOBAL FUNDING II PEPSICO INC	2/10/2025 9/3/2024	2/10/2030 7/17/2029	824,711.25 511,250.00	831,311.25 504,395.00	4.68 4.27
PEPSICO INC	2/7/2025	2/7/2030	364,386.80	367,449.15	4.45
PEPSICO INC	2/7/2025	2/7/2028	2,848,803.00	2,863,651.50	4.27
PFIZER INC	8/16/2024	3/15/2029	1,969,981.75	1,964,082.28	4.40
PNC FINANCIAL SERVICES GROUP INC	1/24/2023	1/26/2027	1,630,000.00	1,631,369.20	4.66
PNC FINANCIAL SERVICES GROUP INC	1/22/2024	1/21/2028	490,000.00	496,713.00	4.91
PNC FINANCIAL SERVICES GROUP INC PRICOA GLOBAL FUNDING I	3/12/2024 8/31/2022	10/20/2027 8/28/2025	3,808,842.95 354,783.45	3,813,794.25 354,307.75	4.56 4.60
PRICOA GLOBAL FUNDING I	8/28/2023	8/28/2026	809,181.90	824,037.30	4.34
PRINCIPAL LIFE GLOBAL FUNDING II	1/16/2024	1/16/2027	474,814.75	479,564.75	4.46
PRINCIPAL LIFE GLOBAL FUNDING II	8/6/2024	1/25/2029	352,410.60	350,478.60	4.65
PRINCIPAL LIFE GLOBAL FUNDING II	8/19/2024	8/19/2027	789,383.80	792,243.60	4.48
PRINCIPAL LIFE GLOBAL FUNDING II PRINCIPAL LIFE GLOBAL FUNDING II	11/27/2024 1/9/2025	11/27/2029 1/9/2028	519,979.20 1,938,506.20	526,474.00 1,953,715.80	4.65 4.53
PUBLIC SERVICE ELECTRIC AND GAS CO	7/26/2023	5/1/2028	1,930,300.20	1,986,066.36	4.42
PUBLIC SERVICE ELECTRIC AND GAS CO	1/31/2024	9/1/2028	2,539,641.65	2,570,359.61	4.46
PUBLIC STORAGE OPERATING CO	8/6/2024	11/9/2028	311,866.20	315,916.50	4.45
ROCHE HOLDINGS INC	11/13/2023	11/13/2026	2,775,000.00	2,819,649.75	4.23
ROCHE HOLDINGS INC	9/18/2024	9/9/2029	757,912.50	745,065.00	4.36
ROYAL BANK OF CANADA SAMMONS FINANCIAL GROUP GLOBAL FUNDING	4/14/2022 1/10/2025	4/14/2025 1/10/2028	2,524,065.75 794,364.00	2,521,162.00 800,668.35	4.52 4.78
SOUTHERN CALIFORNIA GAS CO	10/10/2024	4/15/2027	1,070,258.67	1,072,398.50	4.50
STATE STREET CORP	2/7/2022	3/30/2026	515,245.00	499,285.00	4.46
STATE STREET CORP	2/22/2022	3/30/2026	1,530,195.00	1,497,855.00	4.46
STATE STREET CORP	11/4/2022	11/4/2026	685,000.00	690,480.00	4.54
STATE STREET CORP STATE STREET CORP	5/18/2023 8/3/2023	5/18/2026 8/3/2026	1,225,000.00 3,235,000.00	1,226,470.00 3,274,531.70	4.50 4.33
STATE STREET CORP	3/18/2024	3/18/2027	5,775,000.00	5,843,953.50	4.33
STATE STREET CORP	2/28/2025	2/28/2028	2,790,000.00	2,799,318.60	4.41
TEXAS INSTRUMENTS INC	2/8/2024	2/8/2027	2,198,592.00	2,216,500.00	4.18
THERMO FISHER SCIENTIFIC INC	12/5/2023	12/5/2026	1,873,706.25	1,894,406.25	4.36
TORONTO-DOMINION BANK	4/12/2024	4/5/2027	4,942,150.00	5,046,950.00	4.51
TOYOTA MOTOR CREDIT CORP TOYOTA MOTOR CREDIT CORP	5/18/2023 3/21/2024	5/18/2026 3/19/2027	1,509,124.20 724,122.75	1,513,291.80 734,657.00	4.26 4.32
TOYOTA MOTOR CREDIT CORP	5/16/2024	5/15/2026	3,822,513.75	3,867,228.00	4.32
TOYOTA MOTOR CREDIT CORP	8/20/2024	8/9/2029	2,012,880.00	2,001,420.00	4.53
TOYOTA MOTOR CREDIT CORP	10/10/2024	10/8/2027	219,914.20	220,002.20	4.35
TRUIST FINANCIAL CORP	7/28/2022	7/28/2026	3,065,000.00	3,060,034.70	4.64
TRUIST FINANCIAL CORP	10/28/2022	10/28/2026	1,650,000.00	1,662,672.00	4.71
UBS AG (STAMFORD BRANCH) UNILEVER CAPITAL CORP	1/10/2025 8/12/2024	1/10/2028 8/12/2027	4,605,000.00 1,002,316.65	4,624,939.65 1,005,281.40	4.62 4.24
UNITEDHEALTH GROUP INC	3/21/2024	4/15/2027	2,085,363.00	2,110,290.00	4.24
UNITEDHEALTH GROUP INC	7/25/2024	7/15/2026	603,983.60	608,502.95	4.31
UNITEDHEALTH GROUP INC	7/31/2024	5/15/2029	3,411,485.00	3,430,455.00	4.52
US BANCORP	8/13/2024	7/22/2028	1,501,755.40	1,506,353.35	4.65

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
US BANCORP	9/3/2024	1/27/2028	3,769,259.00	3,808,103.80	4.60
US BANK NA	10/22/2024	10/22/2027	1,935,000.00	1,932,639.30	4.58
USAA CAPITAL CORP	6/3/2024	6/1/2027	2,213,584.20	2,265,332.40	4.29
VOLKSWAGEN GROUP OF AMERICA FINANCE LLC	8/15/2024	8/14/2026	1,406,109.95	1,404,776.60	4.91
VOLKSWAGEN GROUP OF AMERICA FINANCE LLC WALMART INC	8/15/2024	8/14/2026	4,504,763.70 1,274,107.50	4,509,459.95	4.83 4.45
WASTE MANAGEMENT INC	9/9/2022 7/3/2024	9/9/2025 7/3/2027	2,561,896.35	1,271,340.75 2,601,679.50	4.45
WASTE MANAGEMENT INC	11/4/2024	3/15/2028	3,826,447.95	3,850,340.00	4.36
WASTE MANAGEMENT INC	11/4/2024	3/15/2028	1,606,409.70	1,614,602.99	4.40
WELLS FARGO & CO	4/25/2022	4/25/2026	1,850,000.00	1,847,706.00	4.64
WELLS FARGO & CO	8/15/2022	8/15/2026	1,360,000.00	1,358,952.80	4.70
WELLS FARGO & CO	3/30/2023	4/22/2026	2,046,240.00	2,139,678.00	4.46
WELLS FARGO & CO	4/22/2024	4/22/2028	995,000.00	1,015,208.45	4.70
WELLS FARGO & CO	8/13/2024	6/17/2027	1,323,053.55	1,341,653.04	4.56
WELLS FARGO & CO	1/24/2025	1/24/2028	6,275,000.00	6,306,626.00	4.62
WELLS FARGO BANK NA	8/9/2023	8/7/2026	534,957.20	542,634.45	4.36
WELLS FARGO BANK NA WELLS FARGO BANK NA	12/11/2023 8/13/2024	12/11/2026 8/7/2026	4,100,000.00 946,572.60	4,161,787.00 942,996.75	4.32 4.38
WISCONSIN PUBLIC SERVICE CORP	12/6/2024	12/1/2029	424,664.25	425,093.50	4.54
SUB-TOTAL	12/0/2024	-	524,106,509	528,474,653	4.04
MORTGAGE AND ASSET-BACK SECURITIES			324,100,309	320,474,033	
AESOP 212 A	1/22/2024	2/20/2028	702,027	737,560	4.56
AESOP 212 A	3/15/2024	2/20/2028	910,508	951,690	4.56
AESOP 221 A	5/16/2024	8/21/2028	1,906,563	1,967,240	4.65
AESOP 221 A	7/17/2024	8/21/2028	1,906,492	1,942,650	4.65
AESOP 221 A	8/15/2024	8/21/2028	1,756,125	1,768,874	4.69
AESOP 232 A AESOP 242 A	6/7/2024	10/20/2027	746,338	756,593	4.63
AESOP 242 A AESOP 242 A	8/20/2024 9/27/2024	10/20/2028 10/20/2028	575,611 727,736	576,366 722,985	4.70 4.70
ALLYA 2022-1 A3	5/18/2022	11/16/2026	678,179	676,262	4.70
ALLYA 2022-1 A3	10/12/2022	5/17/2027	576,087	576,440	4.74
ALLYA 2023-1 A3	7/19/2023	5/15/2028	1,619,724	1,634,726	4.65
ALLYA 2024-2 A3	9/27/2024	7/16/2029	974,899	971,987	4.36
AMCAR 2023-2 A3	9/20/2023	5/18/2028	4,599,241	4,659,984	4.62
AMCAR 2024-1 A3	5/29/2024	1/18/2029	1,199,889	1,214,112	2.86
AMXCA 2022-2 A	5/24/2022	5/17/2027	6,908,472	6,895,351	4.43
AMXCA 2023-1 A	6/14/2023	5/15/2028	1,339,881	1,348,710	4.36
AMXCA 2023-1 A	7/31/2024	5/15/2028	3,752,930	3,774,375	4.36
AMXCA 2023-1 A	8/30/2024	5/15/2028	1,007,031	1,006,028	4.40
AMXCA 2023-3 A	7/5/2024	9/15/2028	1,831,131	1,851,846	4.28
AMXCA 2024-1 A AMXCA 2024-1 A	4/23/2024 12/26/2024	4/16/2029 4/16/2029	5,218,930	5,322,938	4.30 4.44
AMXCA 2024-1 A AMXCA 2024-3 A	10/11/2024	7/16/2029	1,671,656 1,614,500	1,677,710 1,613,320	4.44
AMXCA 2025-1 A	2/11/2025	12/17/2029	949,789	956,755	4.33
BAAT 2024-1 A3	5/22/2024	11/15/2028	549,910	557,007	4.61
BAAT 231 A3	7/31/2023	2/15/2028	1,079,959	1,089,526	4.66
BAAT 232 A3	11/21/2023	6/15/2028	1,299,976	1,317,082	4.76
BACCT 2023-1 A	6/16/2023	5/15/2028	914,793	920,188	4.35
BACCT 2023-2 A	12/14/2023	11/15/2028	1,334,821	1,350,366	4.32
BACCT 2023-2 A	7/5/2024	11/15/2028	1,795,579	1,818,695	4.32
BACCT 2024-1 A	6/13/2024	5/15/2029	2,544,857	2,581,572	4.30
BACCT 2024-1 A	7/5/2024	5/15/2029	399,859	405,748	4.30
BMWLT 2024-2 A3 BMWOT 2022-A A3	10/7/2024	10/25/2027	3,349,690	3,342,429	4.40
BMWOT 2022-A A3 BMWOT 2023-A A3	5/18/2022 7/18/2023	8/25/2026 2/25/2028	732,299 779,862	729,862 785,663	4.41 4.70
BMWOT 2024-A A3	6/11/2024	2/26/2029	3,864,413	3,911,612	4.76
BMWOT 2025-A A3	2/12/2025	9/25/2029	864,915	869,585	4.39
CARMX 2021-3 A3	7/28/2021	6/15/2026	209,210	208,300	4.10
CARMX 2022-2 A3	4/28/2022	2/16/2027	638,968	636,432	4.66
CARMX 2022-3 A3	7/20/2022	4/15/2027	1,301,921	1,297,734	4.68
CARMX 2022-4 A3	10/31/2022	8/16/2027	1,946,869	1,955,660	4.75
CARMX 2023-2 A3	4/26/2023	1/18/2028	2,799,702	2,811,900	4.63
CARMX 2023-3 A3	7/26/2023	5/15/2028	3,199,963	3,225,984	4.62
CARMX 2023-4 A3	10/18/2023	7/17/2028	599,882	610,788	4.69
CARMX 2024-1 A3	1/24/2024	10/16/2028	8,234,370	8,298,162	4.49
CARMX 2024-2 A3 CARMX 2024-2 A3	4/24/2024 5/20/2024	1/16/2029	1,999,930	2,032,020	4.65
CARMX 2024-2 A3 CARMX 2024-3 A3	7/30/2024	1/16/2029 7/16/2029	367,666 5,699,743	370,844 5,751,756	4.65 4.52
CARMX 2024-4 A3	11/5/2024	10/15/2029	1,099,794	1,104,785	4.47
CCCIT 2023-A1 A1	12/11/2023	12/8/2027	584,927	588,574	4.41
CHAIT 2023-1 A	9/15/2023	9/15/2028	6,538,187	6,627,636	4.32
CHAIT 2023-1 A	9/22/2023	9/15/2028	4,608,379	4,686,975	4.32
CHAIT 2023-1 A	8/28/2024	9/15/2028	1,627,938	1,620,602	4.35
CHAIT 241 A	1/31/2024	1/16/2029	3,259,504	3,280,440	4.30
CHAOT 245 A3	9/24/2024	8/27/2029	944,901	941,607	4.54
CMXS 2024-A A3	6/26/2024	11/15/2028	2,279,966	2,309,389	4.64
COMET 2023-1 A	12/20/2023	5/15/2028	3,470,195	3,504,340	4.35
COMET 2024-1 A	9/24/2024	9/17/2029	4,693,576	4,658,661	4.28
COMET 2024-1 A COPAR 2021-1 A3	9/24/2024	9/17/2029	2,498,242 173,350	2,478,500 172,161	4.32 4.01
COPAR 2021-1 A3 COPAR 2022-1 A3	10/27/2021 5/4/2022	9/15/2026 4/15/2027	173,350 653,651	172,161 649,473	4.49
COPAR 2022-1 A3 COPAR 2022-2 A3	8/10/2022	5/17/2027	849,520	845,409	4.49
CRVNA 23P2 A3	5/31/2023	4/10/2028	1,852,801	1,877,404	4.67
DLLAA 251 A3	1/22/2025	10/20/2029	1,319,876	1,338,889	4.40

DESCRIPTION	SETTLE DATE	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
DLLAA 251 A3	1/22/2025	10/20/2029	549,948	556,147	4.53
EFF 244 A3	10/16/2024	11/20/2028	7,829,054	7,851,533	4.51
FITAT 2023-1 A3	8/23/2023	8/15/2028	2,649,836	2,676,394	4.74
FORDF 2024-1 A1	5/10/2024	4/15/2029	2,599,488	2,646,228	4.46
FORDF 2024-1 A1	1/30/2025	4/15/2029	1,268,164	1,272,225	4.46
FORDF 231 B	8/14/2023	5/15/2028	568,621	579,163	4.76
FORDF 243 A1	10/8/2024	9/17/2029	5,849,468	5,834,030	4.47
FORDO 2022-A A3	1/24/2022	6/15/2026	97,064	96,657	4.04
FORDO 2022-B A3	6/27/2022	9/15/2026	225,867	225,529	4.44
FORDO 2023-B A3	6/26/2023	5/15/2028	1,434,981	1,445,992	4.57
FORDO 2024-B A3	6/24/2024	4/15/2029	3,264,970	3,308,980	4.44
FORDO 2024-C A3	9/20/2024	7/15/2029	1,524,990	1,518,824	4.31
GALC 2022-1 A3	10/12/2022	9/15/2026	2,714,087	2,721,124	4.64
GALC 241 A3	1/31/2024	1/18/2028	2,799,516	2,825,872	4.36
GFORT 231 A1	6/28/2023	6/15/2028	1,299,682	1,314,300	4.53
GFORT 231 A1	10/24/2023	6/15/2028	1,975,703	2,022,000	4.53
GMALT 2024-1 A3	2/15/2024	3/22/2027	1,714,786	1,724,192	4.50
GMALT 2024-3 A3	10/2/2024	10/20/2027	439,948	438,508	4.53
GMCAR 2021-4 A3	10/21/2021	9/16/2026	289,199	287,384	4.06
GMCAR 2022-1 A3	1/19/2022	11/16/2026	396,967	394,464	4.24
GMCAR 2022-2 A3	4/13/2022	2/16/2027	449,009	446,768	4.49
GMCAR 2022-3 A3	7/13/2022	4/16/2027	743,936	741,501	4.50
GMCAR 2023-2 A3	4/12/2023	2/16/2028	629,644	629,321	4.61
GMCAR 2023-4 A3	10/11/2023	8/16/2028	939,807	955,078	4.62
GMCAR 2024-1 A3	1/17/2024	12/18/2028	764,846	770,087	4.47
GMCAR 2024-2 A3	4/10/2024	3/16/2029	1,269,754	1,284,402	4.47
GMCAR 2024-3 A3	7/10/2024	4/16/2029	1,894,708	1,920,393	4.47
GMCAR 2024-4 A3	10/16/2024	8/16/2029	2,639,492	2,646,468	4.34
GMCAR 2025-1 A3	1/15/2025	12/17/2029	2,964,780	2,985,577	4.38
HALST 2024-B A3	5/22/2024	5/17/2027	1,964,945	1,987,028	4.40
HALST 24A A3	1/24/2024	3/15/2027	1,794,660	1,803,760	4.62
HALST 25A A3	1/22/2025	1/18/2028	809,939	817,079	4.36
HAROT 2021-4 A3 HAROT 2022-1 A3	11/24/2021	1/21/2026	239,587	238,492	4.48
HAROT 2022-1 A3 HAROT 2022-2 A3	2/23/2022 8/24/2022	5/15/2026 7/20/2026	244,726 653,078	243,240	4.54
HAROT 2023-4 A3	11/8/2023	6/21/2028	599,894	651,379 608,490	4.57 4.65
HAROT 2024-3 A3	8/21/2024	3/21/2029	5,224,179	5,248,460	4.03
HART 2021-C A3	11/17/2021	5/15/2026	19,928	19,905	3.76
HART 2022-B A3	7/20/2022	11/16/2026	597,107	595,681	4.52
HART 2022-C A3	11/9/2022	6/15/2027	4,525,115	4,544,550	4.73
HART 2024-C A3	10/16/2024	5/15/2029	1,794,869	1,798,500	4.73
HDMOT 2022-A A3	4/20/2022	2/16/2027	562,401	560,492	4.56
HDMOT 2023-A A3	2/23/2023	12/15/2027	1,347,334	1,351,971	4.64
HUNT 241 A3	2/22/2024	1/16/2029	4,224,843	4,268,222	4.69
JDOT 2022 A3	3/16/2022	9/15/2026	427,987	425,184	4.61
JDOT 2024 A3	3/19/2024	11/15/2028	1,254,930	1,266,170	4.45
KCOT 2022-1 A3	3/23/2022	10/15/2026	1,059,001	1,051,473	4.68
KCOT 2023-1 A3	3/31/2023	6/15/2027	6,743,944	6,777,039	4.49
KCOT 2024-2 A2	6/25/2024	4/15/2027	899,898	905,598	4.21
KCOT 222 A3	7/21/2022	12/15/2026	1,336,710	1,334,147	4.66
KCOT 232 A3	7/26/2023	1/18/2028	3,029,235	3,062,785	4.48
KCOT 241 A3	2/21/2024	7/17/2028	4,039,842	4,098,701	4.46
KCOT 251 A2	2/19/2025	12/15/2027	899,888	902,583	4.69
LADAR 243 A3	10/29/2024	3/15/2029	624,973	626,269	4.46
MBALT 2024-A A3	5/23/2024	1/18/2028	1,319,846	1,338,071	4.36
MBALT 2024-B A3	9/25/2024	2/15/2028	2,149,638	2,146,001	4.43
MBART 2022-1 A3	11/22/2022	8/16/2027	2,307,693	2,318,051	4.64
MBART 2023-1 A3	1/25/2023	11/15/2027	510,444	510,664	4.54
MBART 2025-1 A3	1/23/2025	12/17/2029	2,659,434	2,689,233	4.39
NALT 2025-A B	1/22/2025	2/15/2029	1,104,975	1,114,370	4.72
NALT 2025-A B	1/22/2025	2/15/2029	464,990	468,582	4.76
NAROT 2022-B A3	9/28/2022	5/17/2027	968,122	968,100	4.57
NAROT 2023-A A3	4/26/2023	11/15/2027	3,197,877	3,206,214	4.68
NAROT 2023-B A3	10/25/2023	3/15/2028	2,799,432	2,839,844	4.70
NAROT 2024-A A3	5/22/2024	12/15/2028	2,629,754	2,664,269	4.22
NAVMT 231 A	9/20/2023	8/25/2028	1,199,829	1,208,100	4.89
NAVMT 241 A	5/23/2024	4/25/2029	2,514,663	2,543,017	4.67
NFMOT 241 A2	9/19/2024	3/15/2029	1,429,094	1,419,459	4.46
NFMOT 242 A2	10/10/2024	9/17/2029	1,954,518	1,955,039	4.47
NFMOT 242 A2	11/27/2024	9/17/2029	1,159,900	1,170,023	4.47
NMOTR 24B A	3/20/2024	2/15/2029	1,699,887	1,717,952	4.54
NMOTR 24B A	10/25/2024	2/15/2029	1,593,211	1,595,743	4.40
ODART 2021-1 B	10/31/2023	7/14/2028	798,188	875,457	3.58
PFSFC 24B A	4/15/2024	2/15/2029	616,797	630,569	4.53
PFSFC 24B A	9/20/2024	2/15/2029	1,526,602	1,511,960	4.58
PILOT 241 A3	8/21/2024	11/22/2027	749,918	752,888	4.84
SBAT 24A A3	3/28/2024	12/15/2028	4,199,391	4,220,370	4.82
SDART 2023-3 A3	7/26/2023	10/15/2027	945,580	948,401	4.79
TAOT 2021-D A3	11/15/2021	4/15/2026	117,353	116,857	4.58
TAOT 2022-B A3	4/13/2022	9/15/2026	439,438	437,396	4.46
TAOT 2022-C A3	8/16/2022	4/15/2027	515,307	513,290	4.60
TAOT 2022-D A3	11/8/2022	9/15/2027	3,944,796	3,966,884	4.59
TAOT 2023-A A3	1/30/2023	9/15/2027	651,197	651,647	4.61
TAOT 2023-B A3	5/23/2023	2/15/2028	1,894,894	1,900,533	4.46

DESCRIPTION TAOT 2023-D A3 TAOT 2023-D A3 TAOT 2024-B A3 TLOT 2024-B A3 TLOT 2025-A A4 TMUST 2024-2 A USAOT 2024-A A3 VALET 2024-1 A3 VALET 2024-1 A3 VZMT 2024-4 B WFCIT 2024-1 A WFCIT 2024-2 A WFLOR 241 A1 WHAKE 2023-1 A3 WLAKE 2023-1 A3 WLAKE 2023-1 A3 WLAKE 2023-1 A3	SETTLE DATE 11/14/2023 3/13/2024 1/29/2025 9/17/2024 2/26/2025 2/26/2025 10/9/2024 12/13/2021 11/26/2024 3/27/2024 6/28/2024 5/20/2024 6/27/2024 8/16/2024 10/24/2024 10/24/2024 10/24/2024 1/20/2023 3/15/2023	MATURITY DATE 8/15/2028 8/15/2028 8/15/2029 9/20/2027 2/22/2028 6/20/2029 5/21/2029 3/15/2029 6/22/2026 7/20/2029 6/21/2027 6/20/2029 2/15/2029 2/15/2029 10/15/2029 10/15/2029 2/15/2029 11/15/2029 11/15/2029 11/15/2029 11/15/2029	BOOK VALUE 1,959,789 425,513 4,774,809 1,059,876 2,099,972 1,199,960 5,338,980 814,847 64,462 569,946 4,799,598 779,875 4,490,859 2,455,964 2,680,915 1,534,772 5,744,146 999,872 817,522 2,280,102	MARKET VALUE 1,990,733 426,586 4,813,439 1,056,089 2,100,000 1,199,960 5,329,747 823,509 64,300 574,001 4,848,684 787,543 4,559,265 2,492,398 2,681,166 1,535,428 5,749,883 1,008,250 818,445 2,285,0445	YIELD 4.51 4.51 4.53 4.53 4.75 4.81 4.41 4.51 5.02 4.38 4.40 4.70 4.28 4.29 4.32 4.99 4.73 4.78
WOART 2021-D A3 WOLS 2024-A A3	11/3/2021 4/17/2024	10/15/2026 10/15/2027	161,964 799,932	161,222 809,776	4.13 4.36
SUB-TOTAL	.,,202.	10/10/2021	316,761,469	318,989,227	4.00
ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV BURBANK GLENDALE PASADENA ARPT AUTH CALIF ARPT REV CALIFORNIA ST PUB WKS BRD LEASE REV CALIFORNIA STATE CORONA FLORIDA ST BRD ADMIN FIN CORP REV GOLDEN ST TOB SECURITIZATION CORP CALIF TOB SETTLE KANSAS ST DEV FIN AUTH REV LOS ANGELES CALIF CMNTY COLLEGE DIST LOS ANGELES CALIF CMNTY COLLEGE DIST LOS ANGELES CALIF CMNTY COLLEGE DIST LOS ANGELES CALIF MUN IMPT CORP LEASE REV MASSACHUSETTS (COMMONWEALTH OF) MASSACHUSETTS (COMMONWEALTH OF) MASSACHUSETTS COMMONWEALTH NEW JERSEY ST TRANSN TR FD AUTH NEW YORK ST URBAN DEV CORP REV PENNSYLVANIA ECONOMIC DEV FING AUTH REV PORT OAKLAND CALIF WTR REV SACRAMENTO CALIF WIT REV SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMIN INTL A WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV WISCONSIN ST GEN FD ANNUAL APPROPRIATION AND DEVELOPM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM INTERNATIONAL FINANCE CORP	9/6/2022 9/20/2024 5/30/2024 1//8/2023 4/11/2024 4/11/2024 11/5/2024 10/3/2024 9/16/2020 10/7/2021 11/22/2024 6/5/2024 2/14/2025 9/25/2024 3/4/2021 5/1/2024 6/26/2025 2/26/2025 2/26/2025 2/26/2025 2/26/2025 2/26/2025 2/26/2025 1/25/2024 9/25/2024 9/19/2024	9/1/2027 9/1/2028 7/1/2028 7/1/2028 11/1/2026 4/1/2027 4/1/2029 5/1/2027 7/1/2025 6/1/2027 7/1/2025 6/1/2029 8/1/2029 8/1/2029 8/1/2029 11/1/2025 7/15/2029 11/1/2026 6/15/2029 6/1/2029 6/1/2029 6/1/2029 6/1/2029 6/1/2029 6/1/2027 11/1/2026 7/1/2029 5/1/2027 5/1/2029 5/1/2027 5/1/2029 5/1/2027 5/1/2029 5/1/2026 7/1/2029 5/1/2027 5/1/2029 5/1/2027 5/1/2029 5/1/2027 5/1/2029 5/1/2027	1,349,172 1,107,888 1,500,000 1,600,000 1,510,000 1,135,000 1,713,985 1,613,220 1,873,417 1,025,000 2,120,000 1,318,473 2,170,000 829,336 821,894 1,600,000 764,544 431,068 2,210,000 525,642 1,500,000.00 455,000.00 1,284,425.72 1,495,000.00 1,284,425.72 1,495,000.00 4,230,000.00 4,230,000.00 4,230,000.00 4,230,000.00 4,230,000.00 1,244,000.00 841,262.50 2,276,950.00 43,448,841 5,069,553 2,003,800 1,481,124 4,938,847	1,411,299 1,102,932 1,535,715 1,630,176 1,527,018 1,142,457 1,721,351 1,611,225 1,878,208 1,014,586 2,104,948 1,334,893 2,183,931 831,602 820,690 1,559,200 784,641 460,784 2,217,823 520,582 1,517,205,00 459,117,75 543,067,20 1,272,131,97 1,444,917,50 145,276,50 781,088,80 4,271,073,30 495,086,20 925,230,00 1,241,227,60 836,210,75 2,265,288,40 43,590,982	4.19 4.23 4.35 4.36 4.37 4.26 4.36 4.38 4.27 4.16 4.29 4.51 5.00 4.21 4.83 4.26 4.10 4.32 4.41 4.42 4.34 4.30 4.27 4.13 4.27 4.26 4.21 4.32 4.27 4.26 4.21 4.32 4.21 4.32 4.21 4.32 4.21 4.32 4.27 4.26 4.21
MANAGED PORTFOLIO - TOTAL			\$ 2,182,381,153	\$ 2,201,938,216	
DEBT	SERVICE RESERV	E 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	5,332,959	5,332,959	3.98
91 EXPRESS LANES 2023 BONDS - OPERATING & MAINTENANCE RESE BMO HARRIS BANK NCD BMO HARRIS BANK NCD	7/10/2024 10/10/2024	4/4/2025 7/7/2025	5,000,000 3,000,000	5,000,000 3,000,000	5.26 4.45
DEBT SERVICE RESERVE FUNDS - TOTAL			\$ 13,332,959	\$ 13,332,959	
TOTAL PORTFOLIO			Book Value \$ 2,904,069,975	Market Value \$ 2,924,273,444	





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Approval of the Fiscal Year 2025-26 Local Transportation Fund

Claim for Laguna Beach Public Transportation Services

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2025-26 Local Transportation Fund Claim for public transportation services in the amount of \$1,495,895.

B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Approval of the Fiscal Year 2025-26 Local Transportation Fund

Claim for Laguna Beach Public Transportation Services

Overview

The Laguna Beach Municipal Transit Lines, a department within the City of Laguna Beach, is eligible to receive funding from the Local Transportation Fund in Orange County for providing public transportation services throughout the city. To receive the funds, the Laguna Beach Municipal Transit Lines must file a claim against the Local Transportation Fund with the Orange County Transportation Authority.

Recommendations

- A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2025-26 Local Transportation Fund Claim for public transportation services in the amount of \$1,495,895.
- B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

Background

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to public transit and non-transit-related projects. The TDA created a Local Transportation Fund (LTF) for transportation purposes specified in the TDA in each county in California. Revenues are derived from one-quarter cent of the current retail sales tax. The LTF revenues are collected by the California Department of Tax and Fee Administration and returned to the local jurisdictions based on the volume of sales during each month.

As required by the TDA in Orange County, the LTF receipts are deposited in the Orange County LTF account (Fund 182) in the Orange County Treasury and are administered by the Orange County Auditor-Controller (OCAC).

In Orange County, the Orange County Transportation Authority (OCTA) is the Transportation Planning Agency (TPA) responsible for the allocation of the LTF within its jurisdiction. Upon instructions from OCTA, LTF receipts are distributed by the OCAC among the various administrative, planning, and public transportation apportionments as specified in the TDA.

The Orange County Transit District and the Laguna Beach Municipal Transit Lines (LBMTL) are the only public transit operators in Orange County eligible to receive allocations from the LTF. Article 4 of TDA Section 6630 of the California Code of Regulations requires the City of Laguna Beach (City) to file a claim with OCTA to receive an allocation from the LTF for providing public transportation throughout the City.

Discussion

On February 24, 2025, the OCTA Board of Directors approved the LTF fiscal year (FY) 2025-26 apportionments. The total apportionment approved for the LBMTL equaled \$1,495,895.

On March 25, 2025, the Laguna Beach City Council adopted a resolution authorizing the filing of an LTF claim with OCTA for public transportation services. The City submitted its FY 2025-26 LTF claim in the amount of \$1,495,895, that will be used by the LBMTL to meet FY 2025-26 operating expenses. OCTA, as the TPA for Orange County, is authorized to approve LTF claims and make payments from the LTF through written instructions to the OCAC.

Summary

OCTA's approval of the City claim against the Orange County LTF in the amount of \$1,495,895, will enable the LBMTL to continue providing public transportation services throughout the City during FY 2025-26.

Attachment

None.

Prepared by:

Sam Kaur

Department Manager, Revenue and Grants Administration

(714) 560-5889

Approved by:

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





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: State Transit Transportation Task Force Update

Legislative and Communications Committee Meeting of April 17, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and

Wagner

Absent: Director Jung

Committee Vote

No action was taken on this item.

Staff Recommendation(s)

Receive and file as an information item.



April 17, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: State Transit Transformation Task Force Update

Overview

A summary is provided of the State's Transit Transformation Task Force's recent work and policy recommendations being discussed on the future of transit. These recommendations address key issues such as transit service improvements, funding, fare coordination, workforce development, and infrastructure investments. The State Transit Transformation Task Force will submit a final report to the Legislature by October 31, 2025.

Recommendation

Receive and file as an information item.

Discussion

The Legislature passed SB 125 (Chapter 54, Statutes of 2023) as part of the fiscal year 2023-24 state budget, in tandem with a muti-year funding commitment of \$5.1 billion statewide for transit purposes, to help resolve fiscal challenges some transit agencies were facing, and capital funding needs. This included \$4 billion through the Transit and Intercity Rail Program on a population-based formula to regional transportation planning agencies (RTPA) to support transit operations and capital improvements, and \$1.1 billion for the Zero-Emission Transit Capital Program, to be allocated to RTPAs to fund zero-emission transit equipment and operations. Over a five-year period (FY 23-24 to FY 27-28), the SB 125 Transit Program will provide \$380.916 million to the Orange County Transportation Authority (OCTA). On August 12, 2024, the OCTA Board of Directors approved the SB 125 Transit Program funds for high-priority transit projects aimed at stabilizing rail and bus operations, constructing critical rail infrastructure, and deploying ZEB and clean energy throughout Orange County.

In tandem with the significant transit funding committed through the state budget, SB 125 required the California State Transportation Agency (CalSTA) to establish a Transit Transformation Task Force (Task Force) to develop policy recommendations aimed at specific policy areas including growing transit ridership, improving the transit experience, and addressing long-term operational needs. The legislation required CalSTA to include certain representatives on the Task Force, including transit operators representing both small and large operators in urban and rural jurisdictions, the California Department of Transportation, local governments, metropolitan planning organizations, regional transportation planning organizations, transportation advocacy organizations with expertise in public transit, labor organizations, academic institutions, the Senate Committee on Transportation, and the Assembly Committee on Transportation.

On December 8, 2023, CalSTA announced the 25-member Task Force, which includes representatives from the California Transit Association (CTA), Southern California Association of Governments, the Los Angeles County Metropolitan Transportation Authority, MoveLA, and more. While OCTA was not selected as a formal member of the Task Force, it was invited to participate in the Technical Working Group to help inform discussions at the Task Force.

The Task Force has taken key steps toward advancing the requirements of SB 125. Since the Task Force was first formed, they have held a total of nine meetings in different areas of the State, with each meeting focusing on a policy area or areas required by SB 125. More recently, the Task Force has begun to refine and discuss several policy recommendations, including streamlined permitting for transit projects, increased funding flexibility, and enhanced state support for local planning and engineering for eventual inclusion in a final report to the Legislature. The Task Force has also developed recommendations on existing regulatory and statutory requirements including implementation of the California Air Resources Board's Innovative Clean Transit regulation and is beginning to look at potential Transportation Development Act (TDA) reform efforts, including recommendations to overhaul the use of farebox recovery as a requirement to obtain funding. The policy recommendations that have received some consensus by the Task Force are detailed in Attachment A.

OCTA, through its participation in the CTA, is working collaboratively with other transit agencies to help shape the Task Force's recommendations. As the process moves forward, OCTA and CTA will have the opportunity to review and provide feedback on the draft report before the recommendations are finalized, ensuring that the perspectives of transit operators, both large and mid-sized, are reflected in the final product.

CalSTA, in consultation with the Task Force, is required to prepare and submit a report of findings and policy recommendations based on their efforts to the appropriate policy and fiscal committees of the Legislature on or before October 31, 2025. The Task Force currently has at least two additional meetings

scheduled this year, where it is expected that conversations will continue about TDA reform and future funding for transit. Staff will provide additional updates as the final report nears completion. It is expected that after it is published, the Legislature will be using the recommendations to inform legislation next year.

Summary

An overview is provided of work conducted by the State Transit Transformation Task Force thus far to inform recommendations on the future of transit.

Attachment

A. State Transit Transformation Task Force Recommendations

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Approved by:

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State Transit Transformation Task Force Recommendations

Transit Infrastructure

- Statewide Transit Signal Priority (TSP) procurement and preemption
- Update the California Manual on Uniform Traffic Control Devices to prioritize transit operations
- Implementation of bus-only lanes and transit-priority features on state highways
- Extended California Environmental Quality Act exemptions for bus lane conversions and TSP projects
- Streamlined state and local permitting for priority transit corridors
- Fund planning and engineering resources at the state level to assist local transit agencies
- Increase flexibility in state funding programs to accelerate transit infrastructure investments

Safety and Security

- Install protective doors for bus operators and improved lighting, signage, and station safety features
- Expand surveillance systems and emergency communication equipment
- Increased presence of safety ambassadors, crisis intervention teams, and coordination with local law enforcement
- Partner with health and human services agencies to support people experiencing homelessness on and around transit
- Develop statewide safety and security standards and explored regional enforcement of prohibition orders
- Provide dedicated funding for de-escalation training and station safety improvements

Workforce Development

- Expand partnerships with K–12 school systems, community colleges, trade schools, and reentry programs
- Create regional job boards and shared vehicle simulator pools to support hiring and training
- Standardize transit credentials, curricula, and onboarding materials across agencies
- Support mentorship, apprenticeship, and career pathway programs within transit agencies
- Review hiring barriers such as age restrictions, marijuana-related drug testing, and Department of Motor Vehicles certification requirements
- Connect training programs to future-focused skills like electric vehicle and autonomous vehicle maintenance

State Transit Transformation Task Force Recommendations

Land Use & Transit-Oriented Development

- Create a statewide strategy for transit-supportive land use with equity-focused Transit-Oriented Development (TOD) goals
- Authorize transit agencies to review city Transportation Demand Management plans and encourage Housing and Community Development to include TOD policies in pro-housing designations
- Leverage California Department of Transportation (Caltrans)-owned and other state-owned properties for housing near transit
- Promote joint development, on-street parking pricing, unbundled parking requirements, and sale of air rights at transit stations
- Establish incentives and financing tools through the California Housing Finance Agency, pension funds, and federal programs
- Form a dedicated state team to support local TOD implementation and improve coordination among state agencies

Fleet, Zero-Emission Buses & Asset Management

- Standardize specifications and statewide procurement for zero-emission buses and paratransit vehicles
- Facilitate joint purchasing programs to lower costs for buses, parts, onboard technology, and clean energy infrastructure
- Provided access to centralized software for predictive maintenance and asset lifecycle management
- Supported creation of shared maintenance facilities and statewide apprenticeship programs for vehicle maintenance
- Call for a review of the California Air Resources Board's Innovative Clean Transit regulations to assess cost, feasibility, and service impact
- Offer opt-in technical assistance for agencies on fleet transition planning and asset management

First-Last Mile Access to Transit

- Streamline permitting and approvals for active transportation projects near transit hubs and stations
- Assess and map sidewalks, mobility lanes, and transit hub conditions to identify accessibility needs
- Create a statewide registry of bus stops, each with a unique identifier and amenity inventory
- Increase and stabilize state funding for active transportation and first- and last-mile connections to transit
- Coordinate first- and last-mile planning across Caltrans, metropolitan planning organizations, community-based organizations, cities, and transit agencies

State Transit Transformation Task Force Recommendations

- Establish statewide purchasing agreements for bikeshare and micro-mobility infrastructure, including participants in electric bike incentive programs
- Encourage integration of first- and last-mile services with transit trip planning, payments, and real-time information





April 28, 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 April 17, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and

Wagner

Absent: Director Jung

Committee Vote

This item was passed by the Members present.

Directors Tavoularis and Tettemer voted in opposition on Recommendation C.

Committee Recommendation(s) (Reflects a change from staff's recommendation) Recommendation C was added.

- A. Adopt a SUPPORT position on AB 334 (Petrie-Norris, D-Irvine), which would facilitate interoperability with out-of-state electronic toll collection systems.
- B. Adopt an OPPOSE position on AB 1070 (Ward, D-San Diego), which would impose new mandates on transit district board compensation and governance structures.
- C. Adopt a SUPPORT IF AMENDED position on SB 741 (Blakespear, D-Encinitas), consistent with the FY 2025-2026 OCTA State Legislative Platform.



April 17, 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. Staff recommends a support position on legislation related to interoperability with out-of-state electronic toll collection systems. Staff recommends an oppose position on legislation that imposes new mandates on transit district board compensation and governance structure.

Recommendations

- A. Adopt a SUPPORT position on AB 334 (Petrie-Norris, D-Irvine), which would facilitate interoperability with out-of-state electronic toll collection systems.
- B. Adopt an OPPOSE position on AB 1070 (Ward, D-San Diego), which would impose new mandates on transit district board compensation and governance structures.

Discussion

AB 334 (Petrie-Norris, D-Irvine): Operators of toll facilities: interoperability programs: vehicle information.

AB 334 helps advance interstate interoperability by clarifying that California toll facility operators may share only the necessary vehicle usage data with out-of-state toll systems and must continue to comply with federal and state privacy laws.

The Orange County Transportation Authority (OCTA) operates the 91 and 405 Express Lanes using electronic toll collection systems. Currently those facilities are interoperable with toll facilities across the State, allowing drivers to

seamlessly travel across the State while maintaining an account with only one toll agency. AB 334 strengthens the framework for interoperability, making it easier for drivers to use toll facilities in other states without needing multiple transponders or accounts – enhancing convenience for Orange County commuters.

Since the 1990s, California has prioritized interoperability among tolling systems, leading to the creation of FasTrak and coordinated efforts through the California Toll Operators Committee. However, interoperability has not yet been established with facilities outside of the State. OCTA has worked with other agencies to improve multistate cooperation, though technological, regulatory, and privacy differences remain significant hurdles. AB 334 would address the privacy limitations, more clearly authorizing toll agencies to share necessary information for interoperability purposes with out-of-state agencies. Mechanics of how interoperability would be achieved with the other states, if AB 334 passes, would still have to be worked out among the toll agencies. While a western toll hub has been discussed, no agreement has been reached, and current out-of-state violations — mainly from states without toll systems — limit the cost-effectiveness of such a hub.

Because most out-of-state drivers using OCTA's toll facilities come from states without a toll facility, the immediate revenue impact on OCTA may be small. However, improved interoperability could increase express lane usage by out-of-state drivers and enhance accessibility for regional travelers. This legislation is sponsored by the Transportation Corridor Agencies. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principles to "support efforts to improve the interoperability of the different toll systems across the State in order to ensure fair and efficient toll operations while affirming user privacy protections." A thorough analysis and copy of the text of this legislation is included as Attachment A.

AB 1070 (Ward, D-San Diego): Transit districts: governing boards: compensation: nonvoting members.

AB 1070 proposes modifications to the governance and operational standards of transit district boards throughout California. This includes changes to board member compensation requirements: members would only be eligible to receive compensation if they demonstrate personal use of the transit system they oversee, defined as either at least one hour or four trips per month.

Significantly, the bill introduces new membership requirements for all transit district boards. Specifically, it mandates the addition of two nonvoting members and four alternate nonvoting members to each board. These positions must be filled by individuals who are regular users of the transit service and by representatives from labor organizations that represent a plurality of the district's represented employees.

The bill also outlines appointment procedures and rights for nonvoting members. Nonvoting members would be granted the right to receive board materials, participate in public meetings, and place items on board agendas, but they would be excluded from closed sessions involving labor negotiations, personnel matters, or attorney-client privileged legal discussions.

These requirements would apply universally to all transit districts across the State, regardless of their existing governance structures, statutory formation, or local needs, thereby imposing a standardized model of board composition and eligibility criteria statewide.

The Board is uniquely structured to reflect the consolidation of multiple transportation agencies within the County. This consolidation was carefully designed to streamline operations, reduce administrative duplication, and unify strategic planning for the region's transportation systems. If enacted, AB 1070 could override the legal framework that currently defines this structure, forcing a new model onto the agency that is inconsistent with how OCTA was originally formed and has functioned for decades. This change could trigger a major governance conflict by effectively severing the Orange County Transit District (OCTD) from OCTA, resulting in two separate boards – one newly required by the bill to govern OCTD and another continuing to oversee OCTA and its other consolidated functions. Such a split would unravel the efficiencies achieved through decades of regional consolidation and coordination, leading to confusion, duplication of efforts, and potentially conflicting policies.

The mandate to add nonvoting members from rider and labor groups, while intended to boost representation, overlaps with engagement practices already in place at OCTA. The agency conducts extensive public outreach, holds open board meetings, and maintains ongoing communication with employee organizations through formal labor processes. Additionally, the current Board already includes two members of the public, selected through a robust process designed to bring unique, non-elected perspectives to the table.

Moreover, the required monthly transit usage by board members disregards the reality of Orange County's geography and transit coverage. While incentives for transit district board members to regularly use and experience the systems they govern are well intentioned, it is impractical to assume that all of them have convenient access to transit. Imposing this condition on compensation risks excluding qualified individuals who bring vital expertise and leadership but may not be daily transit riders due to logistical, personal, or professional constraints. These roles are already demanding, and adding such a narrowly defined usage requirement could dissuade participation.

An analysis and copy of the text of this legislation is included as Attachment B. This legislation is opposed by the California Transit Association and the Los Angeles County Metropolitan Transportation Authority. An OPPOSE position

is consistent with OCTA's 2025-26 State Legislative Platform principles to "Monitor proposed changes related to the Ralph M. Brown Act, and other statutes governing public meetings, including the expanded use of technology."

Summary

A support position is recommended on legislation related to interoperability with out-of-state electronic toll collection systems. An oppose position is recommended on legislation related to transit district board compensation and governance structure.

Attachments

- A. AB 334 (Petrie-Norris, D-Irvine) Bill Analysis with Bill Language
- B. AB 1070 (Ward, D-San Diego) Bill Analysis with Bill Language
- C. Orange County Transportation Authority Legislative Matrix

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BILL: AB 334 (Petrie-Norris, D-Irvine)

Introduced January 28, 2025

SUBJECT: AB 334 would facilitate interoperability with out-of-state electronic toll

collection systems while ensuring compliance with state and federal privacy

protection laws.

STATUS: Pending in Assembly Committee on Privacy and Consumer Protection

Passed Assembly Committee on Transportation 16-0

SUMMARY AS OF APRIL 3, 2025:

AB 334 will facilitate the ability for electronic toll collection systems in California to share the necessary information with out-of-state toll systems to allow for interstate interoperability. It clarifies that toll facility operators participating in interstate interoperability programs may only share vehicle usage data that is intended to implement interstate operability and must otherwise remain fully compliant with federal and state privacy protection laws.

EFFECTS ON ORANGE COUNTY:

The Orange County Transportation Authority (OCTA) operates the 91 Express Lanes and the 405 Express Lanes, utilizing automatic vehicle identification systems to manage toll collection efficiently. AB 334 strengthens the framework for interstate interoperability, which could improve customer convenience by ensuring that users can travel across different toll facilities outside of California without needing multiple transponders or accounts. This is particularly beneficial for Orange County commuters who use toll roads and express lanes in those states that have tolling systems.

In the early 1990s, the State required the California Department of Transportation (Caltrans), in cooperation with existing and proposed toll facility operators, to develop and adopt functional specifications and standards for an automatic vehicle identification system. These systems were to ensure seamless toll collection, allow a single device to be used across all toll facilities, and promote competition among vendors – or in other words, achieve interoperability between toll systems. This led to the adoption of FasTrak within the State, and more recently the use of the 6c protocol. Much of this work has been done through the establishment of the California Toll Operators Committee, a group that includes all toll operators in the State and Caltrans to coordinate on technical and operating issues related to tolling.

OCTA, along with other California toll agencies, has actively worked toward greater interstate interoperability in tolling operations over the years. Most other regions in the country are working towards interstate interoperability through the establishment of hubs in their respective regions. While California toll agencies have collaborated with states like Washington and Utah to enhance interoperability, the process remains complex due to differing regulations, privacy concerns, and technological barriers between states. The concept of a western toll hub has been discussed as a potential solution for improving toll enforcement and collections across state lines, but there is currently no agreement in

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place. Additionally, for OCTA, the feasibility of such a hub remains uncertain, as the transaction volume from out-of-state violators is not yet sufficient to justify the cost of implementation.

Because there is no existing western toll hub, any future decision regarding its creation will require collective agreement among all California toll agencies. Even if such a hub were established, its ability to address out-of-state violations would be limited. The highest number of out-of-state violations on California toll roads come from Nevada and Arizona, states that lack tolling infrastructure. AB 334 would not provide a solution for collecting tolls from these drivers.

If nationwide interoperability were achieved, its impact on OCTA's toll revenue would likely be modest, as relatively few out-of-state drivers use the toll systems in California. However, interoperability could encourage more out-of-state drivers to utilize OCTA's express lanes, increasing accessibility for visitors traveling through the region. It is also important to emphasize that interoperability efforts do not pose a risk to personally identifiable information, as existing safeguards and state law ensure that privacy protections remain intact. OCTA and other California toll agencies have successfully maintained secure tolling operations for years, demonstrating commitment to both efficiency and data security.

While AB 334 alone is unlikely to result in a major shift in tolling operations or enforcement, it represents a step in the right direction towards improving interoperability and laying the groundwork for future cooperation between states. By enhancing interoperability and maintaining stringent privacy safeguards, AB 334 supports a more integrated and efficient tolling network across California and beyond. This legislation is sponsored by the Transportation Corridor Agencies. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principles to "support efforts to improve the interoperability of the different toll systems across the State in order to ensure fair and efficient toll operations while affirming user privacy protections."

OCTA POSITION:

Staff recommends: SUPPORT

Introduced by Assembly Member Petrie-Norris

January 28, 2025

An act to amend Section 27565 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 334, as introduced, Petrie-Norris. Operators of toll facilities: interoperability programs: vehicle information.

Existing 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. Existing 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.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

 $AB 334 \qquad -2 -$

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The people of the State of California do enact as follows:

SECTION 1. Section 27565 of the Streets and Highways Code is amended to read:

- 27565. (a) The department, in cooperation with the district and all known entities planning to implement a toll facility in this state, shall develop and adopt functional specifications and standards for an automatic vehicle identification system, in compliance with all of the following objectives:
- (1) In order to be detected, the *a* driver shall not be required to reduce speed below the applicable speed for the type of facility being used.
- (2) The-A vehicle owner shall not be required to purchase or install more than one device to use on all toll facilities, but may be required to have a separate account or financial arrangement for the use of these facilities.
- (3) The A facility-operators operator shall have the ability to select from different manufacturers and vendors. The specifications and standards shall encourage multiple bidders, and shall not have the effect of limiting the a facility-operators operator to choosing a system that is able to be supplied by only one manufacturer or vendor.
- (b) Except as provided in subdivision (c),—any an automatic vehicle identification system purchased or installed after January 1, 1991, shall comply with the specifications and standards adopted pursuant to subdivision (a).
- (c) Subdivision (b) does not apply to an interim automatic vehicle identification system for which a contract is entered into between an entity planning to implement a toll facility and the supplier of the interim system prior to before January 1, 1994, if both of the following requirements are met:
- (1) The department has made a written determination that the installation and operation of the interim system will expedite the completion of the toll facility and its opening to public use.
- (2) The entity planning to implement the toll facility has entered into an agreement with the department to install, within five years after any portion of the toll facility is opened for public use, an automatic vehicle identification system meeting the specifications and standards adopted pursuant to subdivision (a).

-3-**AB 334**

(d) The automated vehicle identification system developed by the department pursuant to subdivision (a) shall be capable of identifying various types of vehicles, including, but not limited to, commercial vehicles.

- 5 (e) On and after the date specified in the federal Moving Ahead for Progress in the 21st Century Act (Public Law 112-141) for 6 implementation of interoperability of electronic toll collection on 8 federal-aid highways, operators of toll facilities on federal-aid highways may fully implement technologies or business practices that provide for the interoperability of electronic toll collection 10 programs consistent with federal law. Operators of toll facilities 12 on federal-aid highways engaged in an *interstate* interoperability 13 program may provide only the following information regarding a 14 vehicle's use of the toll-facility, facility that is intended to 15 implement interstate interoperability, and shall otherwise comply with all federal and state privacy protection laws, including, but 16 17 not limited to, Section 31490: 31490.
- 18 (1) License plate number.

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- 19 (2) Transponder identification number.
- 20 (3) Date and time of transaction.
- 21 (4) Identity of the agency operating the toll facility.

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BILL: AB 1070 (Ward, D-San Diego)

Introduced February 21, 2025

Amended April 3, 2025

SUBJECT: AB 1070 which would impose new mandates on transit district board

compensation and make changes to transit district board governance

structures.

STATUS: Pending in the Assembly Local Government Committee and Assembly

Transportation Committee

SUMMARY AS OF APRIL 9, 2025:

AB 1070 proposes significant modifications to the governance and operational standards of transit district boards throughout California. This includes changes to board member compensation requirements: members would only be eligible to receive compensation if they demonstrate personal use of the transit system they oversee, defined as either at least one hour or four trips per month.

Significantly, the bill introduces new membership requirements for all transit district boards. Specifically, it mandates the addition of two nonvoting members and four alternate nonvoting members to each board. These positions must be filled by individuals who are regular users of the transit service and by representatives from labor organizations that represent a plurality of the district's represented employees. The bill outlines appointment procedures and timelines and specifies that nonvoting members must be excluded from closed sessions involving labor, personnel, or legal matters, while retaining rights to participate in public meetings and receive board materials. These requirements would apply universally to all transit districts across the State, regardless of their existing governance structures, statutory formation, or local needs, thereby imposing a standardized model of board composition and eligibility criteria statewide.

EFFECTS ON ORANGE COUNTY:

The Orange County Transportation Authority (OCTA) Board of Directors (Board) is uniquely structured to reflect the consolidation of multiple transportation agencies within the county. This consolidation was carefully designed to streamline operations, reduce administrative duplication, and unify strategic planning for the region's transportation systems. If enacted, AB 1070 could override the legal framework that currently defines this structure, forcing a new model onto the agency that is inconsistent with how OCTA was originally formed and has functioned for decades. Because the legislation asserts authority over existing law, it would supersede the provisions that establish OCTA's current board composition and operational integration.

This change could trigger a major governance conflict by effectively severing the Orange County Transit District (OCTD) from OCTA, resulting in two separate boards—one newly required by the bill to govern OCTD and another continuing to oversee OCTA and its other consolidated functions. Such a split would unravel the efficiencies achieved through decades of regional consolidation and coordination, leading to confusion, duplication of efforts, and potentially conflicting policies. It would also create uncertainty

around jurisdiction, budgeting, and planning authority, threatening the effectiveness and stability of transportation services in Orange County.

The mandate to add nonvoting members from rider and labor groups, while intended to boost representation, overlaps with engagement practices already in place at OCTA. The agency conducts extensive public outreach, holds open board meetings, and maintains ongoing communication with employee organizations through formal labor processes. Additionally, the current Board already includes two members of the public, selected through a robust process designed to bring unique, non-elected perspectives to the table. This inclusive approach underscores OCTA's commitment to broad representation, making the bill's proposed additions redundant and misaligned with the agency's established governance model.

Moreover, the required monthly transit usage by Board members disregards the reality of Orange County's geography and transit coverage. While incentives for transit district board members to regularly use and experience the systems they govern are well intentioned, it is impractical to assume that all of them have convenient access to transit. Many Board members may not have practical opportunities to use it regularly. Imposing this condition on compensation risks excluding qualified individuals who bring vital expertise and leadership but may not be daily transit riders due to logistical, personal, or professional constraints. These roles are already demanding, and adding such a narrowly defined usage requirement could dissuade participation.

While AB 1070 aims to enhance accountability and representation, it would introduce structural changes that could disrupt the established governance model that supports OCTA's ability to operate as an integrated and regionally responsive agency. By imposing uniform requirements across all transit districts, the bill may unintentionally create administrative complexities and diminish the effectiveness of coordinated transit planning and leadership in Orange County.

This legislation is opposed by the California Transit Association and the Los Angeles County Metropolitan Transportation Authority. An OPPOSE position is consistent with OCTA's 2025-26 State Legislative Platform principles to "Oppose policies adversely affecting OCTA's ability to efficiently and effectively contract for goods and services, conduct business of the agency, and limit or transfer the risk of liability."

OCTA POSITION:

Staff recommends: OPPOSE

AMENDED IN ASSEMBLY APRIL 3, 2025

CALIFORNIA LEGISLATURE—2025—26 REGULAR SESSION

ASSEMBLY BILL

No. 1070

Introduced by Assembly Member Ward

February 20, 2025

An act to amend Section 99156 of, and to add Section 99156.5 to, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1070, as amended, Ward. Transit districts: governing boards: compensation: nonvoting members.

Existing law provides for the formation of various transit districts and specifies the duties and powers of their governing boards. Existing 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 authorize require the chair of the governing board of a transit district to exclude these nonvoting members from meetings—discussing discussing, among other things, negotiations with labor organizations. By expanding the duties of transit districts, the bill would impose a state-mandated local program.

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AB 1070 — 2 —

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 99156 of the Public Utilities Code is 2 amended to read:

99156. (a) Notwithstanding any other law, a transit district may provide compensation to a member of the governing board of the district only for attendance at a meeting of the board or for each day the member is engaged in other district business within or without the district. A member who engages in district business other than attendance at board meetings shall first obtain authorization of the board for reimbursement of travel expenses or other compensation before engaging in that business and shall submit a report thereof to the board for all expenditures.

- (b) A transit district shall not provide compensation to a member of the governing board of the district unless the member demonstrates, through evidence or attestation recorded by the clerk of the board, personal use of the transit system for at least one hour or for four trips during the month for which the member seeks compensation.
- SEC. 2. Section 99156.5 is added to the Public Utilities Code, to read:
- 99156.5. (a) Notwithstanding any other law, the governing board of a transit district shall include two nonvoting members and four alternate nonvoting members, as follows:
- (1) The first nonvoting member shall be a user of mass transit services provided by the transit district and shall be recommended for appointment by a transit advisory council representing transit users. There shall be two nonvoting alternates to the first nonvoting member as follows:

-3- AB 1070

(A) The first nonvoting alternate to the nonvoting member described in paragraph (1) shall be a user of mass transit services provided by the transit district and shall be recommended for appointment by a commuter council associated with a major transit service in the state.

- (B) The second nonvoting alternate to the nonvoting member described in paragraph (1) shall be a user of mass transit services provided by the transit district and shall be recommended for appointment by a commuter council associated with a transit service, other than the transit service described in subparagraph (A), that is under the transit district's jurisdiction.
- (2) The second nonvoting member shall be recommended for appointment by the labor organization representing the majority of the employees of a major transit system in the state. that represents a plurality of represented employees within the transit district. There shall be two nonvoting alternates to the second nonvoting member as follows:
- (A) The first nonvoting alternate to the nonvoting member described in paragraph (2) shall be recommended for appointment by the labor organization representing the majority of employees of a major transit system in the state. that represents a plurality of represented employees within the transit district.
- (B) The second nonvoting alternate to the nonvoting member described in paragraph (2) shall be recommended for appointment by the labor organization representing the majority of employees of a major transit system in the state. that represents a plurality of represented employees within the transit district.
- (C) The nonvoting members described in this paragraph shall be recommended for appointment by labor organizations representing employees of different transit systems.
- (b) Nonvoting members and alternate nonvoting members shall be appointed according to the following procedures:
- (1) The chair of the governing board shall appoint the nonvoting members and alternate nonvoting members from the recommendations provided by the respective organizations within 31 days of receiving the recommendations.
- (2) If the chair does not receive recommendations within 31 days of a request or vacancy, the governing board may appoint qualified individuals to these positions by majority vote.

AB 1070

> (3) If the chair determines that a recommended individual does not meet the qualifications specified in this section, the chair shall request a new recommendation from the respective organization.

- (4) Appointments shall be made at a regular meeting of the governing board and shall be recorded in the minutes of that meeting.
- (c) The nonvoting members and alternate nonvoting members shall have the following rights and protections:
- (1) The right to attend and participate in all public meetings of the governing board except as provided in subdivision (d).
- (2) The right to receive all meeting materials provided to voting members of the governing board.
- (3) The right to place items on the agenda related to transit service and labor matters, subject to the same procedures applicable to voting members.
- (4) Protection from retaliation for their participation and statements made during board meetings.

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- (d) (1) The chair of the governing board of a transit district may shall exclude the a nonvoting member and any corresponding alternate nonvoting members member from any portion of a meeting of the governing board or a committee that discusses negotiations with labor organizations. if the portion of the meeting discusses any of the following:
 - (A) Negotiations with labor organizations.
- (B) Personnel matters specifically related to individual employees.
- (C) Confidential legal matters where attorney-client privilege applies.
- (2) When a nonvoting member is excluded from a meeting pursuant to this subdivision, any corresponding alternate nonvoting member shall also be excluded.
- SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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Orange County Transportation Authority Legislative Matrix

2025 State Legislation Session April 17, 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 STATUS: 03/25/25 In ASSEMBLY. Re-referred to Committee on Privacy and Consumer Protection	STAFF RECCOMENDS 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 can seek restraining orders in cases of workplace violence, harassment, or threats.	INTRODUCED: 02/03/25 LOCATION: Assembly Committee on Public Safety LAST AMENDED: 03/27/25 STATUS: 03/28/25 In ASSEMBLY. Amended. Rereferred to Committee on Public Safety.	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 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 LAST AMENDED: 04/03/25 STATUS: 03/17/25 In ASSEMBLY. Re-referred to Committees on Local Government and Transportation	STAFF RECCOMENDS OPPOSE Oppose: CTA, Los Angeles County Metropolitan Transportation Authority (LA Metro), CALACT

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►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 Transportation Committee HEARING: 04/08/25 LAST AMENDED: 03/25/25 STATUS: 03/28/25 In SENATE. Re-referred to Committee on Transportation.	Support (partial list) Support: CTA (co-sponsor), SPUR (co-sponsor), Bay Area Council (co-sponsor), LA Metro, MTC
►SB 741 (Blakespear – D) Coastal resources: coastal development permit: local emergency declaration.	Would clarify that a local emergency declared by a municipality, county, or special district qualifies as an emergency for coastal development permits.	INTRODUCED: 02/21/25 LOCATION: Senate Committee on Natural Resources and Water STATUS: 03/12/25 In SENATE. Referred to Committee on Natural Resources and Water	Support Support: County of Orange, Association of California Cities Orange County, Metrolink, Self-Help Counties Coalition

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

<u>AB 10 (Essayli, R)</u> 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: 03/25/2025 - Re-referred to Com. on H. & C.D.

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 (Spot bill) Last Amended: 03/24/2025

Status: 3/25/2025 Re-referred to Com. on L. GOV. **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 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

Status: 02/18/2025 - Referred to Coms. on NAT. RES. and JUD.

Location: 02/18/2025 - Assembly Natural Resources

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 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. 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.

<u>AB 41 (Macedo, R)</u> 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. **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

Status: 02/10/2025 - Referred to Com. on L. GOV.

Calendar: 04/09/25 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN,

Chair

Location: 02/10/2025 - Assembly Local Government

Summary: The Ralph M. Brown Act authorizes the legislative body of a local agency to use teleconferencing, as specified, and requires a legislative body of a local agency that elects to use teleconferencing to comply with specified requirements, including that the local agency 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, 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 remove the January 1, 2026, date from those provisions, thereby extending the alternative teleconferencing procedures indefinitely.

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.

<u>AB 267 (Macedo, R)</u> 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: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on P. E. & R.

Calendar: 04/02/25 A-PUBLIC EMPLOYMENT AND RETIREMENT 9 a.m. - State Capitol, Room 444

MCKINNOR, TINA, Chair

Location: 02/10/2025 - Assembly Public Employment and Retirement

Summary: Current law declares the public policy of the state regarding labor organization, including, among other things, that it is necessary for a worker to full freedom of association, self-organization, and designation of representatives of their own choosing, to negotiate the terms and conditions of their employment, and to be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. 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, who is subject to the National Labor Relations Act (NLRA) as of January 1, 2025, and who petitions the National Labor Relations Board (NLRB) to vindicate their rights to full freedom of association, self-organization, and designation of representatives of their own choosing, but who does not receive an effective response or remedy within the specified statutory timeframe, to petition PERB to vindicate those rights, as specified. 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.

AB 289 (Haney, D) State highway work zone speed safety program.

Introduced: 01/22/2025 Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on TRANS.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 02/10/2025 - Assembly Transportation

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. Current 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) California Environmental Quality Act: major transit stop.

Introduced: 01/23/2025

Status: 02/10/2025 - Referred to Com. on NAT. RES. **Location:** 02/10/2025 - 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. CEQA exempts from its requirements residential projects on infill sites and transit priority projects that meet certain requirements, including a requirement that the projects are located within 1/2 mile of a major transit stop. CEQA defines "major transit stop" to include, among other locations, the intersection of 2 or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. This bill would additionally define "major transit stop" to include a planned or existing high-speed rail station. Because the bill would require a lead agency to make an additional determination as to whether a location is a major transit stop for purposes of determining whether residential or mixed-use residential projects are exempt from CEQA, this bill would impose a state-mandated local 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.

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: 03/19/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (March

19). Re-referred to Com. on APPR.

Location: 03/19/2025 - Assembly Appropriations

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: 02/18/2025 - Referred to Com. on Elections.

Calendar: 04/09/25 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. **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: 03/13/2025 - Re-referred to Com. on APPR. **Location:** 03/11/2025 - Assembly Appropriations

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: 02/24/2025

Status: 02/25/2025 - Re-referred to Com. on TRANS.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 02/24/2025 - Assembly Transportation

Summary: Would 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. By establishing new prima facie speed limits in school zones that would require changes to local speed limit signs, this bill would create a state-mandated local program.

AB 390 (Wilson, D) Vehicles: highway safety.

Introduced: 02/03/2025 Last Amended: 03/11/2025

Status: 03/25/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 16. Noes 0.) (March

24). Re-referred to Com. on APPR.

Location: 03/24/2025 - Assembly Appropriations

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: 03/27/2025

Status: 03/28/2025 - Re-referred to Com. on PUB. S.

Calendar: 04/01/25 A-PUBLIC SAFETY Upon adjournment of Session - State Capitol, Room 126

SCHULTZ, NICK, Chair

Location: 02/18/2025 - Assembly Public Safety

Summary: 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 include stalking against any of those persons and would also have the crime apply when it occurs against an employee, public transportation provider, or contractor of a public transportation provider. By expanding the scope of an existing crime and creating a new crime, the bill would impose a state-mandated local program.

AB 399 (Boerner, D) Coastal resources: coastal development permits: blue carbon demonstration projects.

Introduced: 02/04/2025

Status: 03/25/2025 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes

9. Noes 3.) (March 24). Re-referred to Com. on APPR.

Location: 03/24/2025 - Assembly Appropriations

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. (Based on 02/04/2025 text)

<u>AB 404</u> (<u>Sanchez, R</u>) 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: 03/27/2025 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To

Consent Calendar. (Ayes 18. Noes 0.) (March 26). Re-referred to Com. on APPR.

Location: 03/26/2025 - Assembly Appropriations

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: 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 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: 03/25/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 1.) (March

24). Re-referred to Com. on APPR.

Location: 03/24/2025 - Assembly Appropriations

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: 03/05/2025

Status: 03/17/2025 - Re-referred to Com. on Health. pursuant to Assembly Rule 96. **Calendar:** 04/08/25 A-HEALTH 1:30 p.m. - 1021 O Street, Room 1100 BONTA, MIA, Chair

Location: 03/17/2025 - Assembly Health

Summary: Current law authorizes the Office of Suicide Prevention, 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 identify state bridges and roadways that have a history of a relatively high number of suicide-related deaths. The bill would also require the office to work with the Department of Transportation to identify cost-effective strategies to reduce suicides on the state's bridges and roadways. This bill would require the office to prepare and submit a report to the Legislature and the relevant policy committees on the strategies that it identifies on or before December 31, 2026. The bill would repeal its provisions on January 1, 2028.

<u>AB 443 (Bennett, D)</u> Energy Commission: integrated energy policy report: curtailed solar and wind generation: hydrogen production.

Introduced: 02/06/2025

Status: 03/13/2025 - Referred to Coms. on U. & E. and NAT. RES.

Calendar: 04/02/25 A-UTILITIES AND ENERGY 1:30 p.m. - State Capitol, Room 437 PETRIE-NORRIS,

COTTIE, Chair

Location: 03/13/2025 - Assembly Utilities and Energy

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: 03/20/2025 - Read second time. Ordered to third reading. **Calendar:** 04/01/25 #11 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 03/20/2025 - Assembly THIRD READING

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 545 (Davies, R) Vehicles: electric bicycles.

Introduced: 02/11/2025 Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on TRANS.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 02/24/2025 - 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 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: 03/13/2025

Status: 03/17/2025 - Re-referred to Com. on E.M.

Calendar: 04/07/25 A-EMERGENCY MANAGEMENT 2:30 p.m. - State Capitol, Room 444 RANSOM,

RHODESIA, Chair

Location: 03/13/2025 - Assembly Emergency Management

Summary: Would require the Office of Emergency Services, in collaboration with host cities, 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. The bill would require the office to enter into a memorandum of understanding, as specified, with, among others, the cities hosting the mega sporting events. By imposing new duties on local governmental entities, this bill would impose a state-mandated local program.

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. **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.

$\underline{AB\ 569}\ (\underline{Stefani,\ D})$ California Public Employees' Pension Reform Act of 2013: exceptions: supplemental defined benefit plans.

Introduced: 02/12/2025

Status: 02/24/2025 - Referred to Com. on P. E. & R.

Location: 02/24/2025 - Assembly Public Employment and Retirement

Summary: The California Public Employees' Pension Reform Act of 2013 (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, notwithstanding that prohibition, 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

AB 591 (Caloza, D) Emergency services: mutual aid: public works.

Introduced: 02/12/2025

Status: 03/03/2025 - Referred to Com. on E.M.

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: 03/19/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (March

19). Re-referred to Com. on APPR.

Location: 03/19/2025 - Assembly Appropriations

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.

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.

<u>AB 623</u> (<u>Dixon, R</u>) Fuel modification and reduction projects: California Environmental Quality Act: coastal development permits: exemptions.

Introduced: 02/13/2025 Last Amended: 03/17/2025

Status: 03/18/2025 - 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 100 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. Because a lead agency would be required to determine whether a project qualifies for this exemption, 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 719 (Calderon, D) County emergency plans.

Introduced: 02/14/2025

Status: 03/03/2025 - Referred to Com. on E.M.

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 statemandated 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: reporting.

Introduced: 02/18/2025

Status: 03/28/2025 - Referred to Com. on W. P., & W. **Location:** 03/28/2025 - Assembly Water, Parks and Wildlife

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. Current law requires the Secretary of the Natural Resources Agency to establish a standardized electronic format and protocol for the exchange of electronic data for the purposes of meeting environmental data reporting or other usage requirements, as provided. This bill would require any biological resources data, as defined, submitted to a regional, local, or state public agency to be posted on that public agency's internet website and made publicly available within 2 weeks of submission to the public agency, as provided.

AB 810 (Irwin, D) Local government: internet websites and email addresses.

Introduced: 02/19/2025 Last Amended: 03/27/2025

Status: 03/28/2025 - Re-referred to Com. on L. GOV.

Calendar: 04/09/25 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN,

Chair

Location: 03/10/2025 - Assembly Local Government

Summary: Current law 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. Existing law defines "local agency" for these purposes as a city, county, or city and county. This bill would expand the definition of "local agency" to include a special district, school district, joint powers authority, or other political subdivision, thereby requiring those entities to comply with the above-described domain requirements. The bill would allow a community college district or community college to use a ".edu" domain to satisfy these requirements.

<u>AB 830 (Rogers, D)</u> State highways: encroachment permits: relocating or removing encroachments: public utility districts.

Introduced: 02/19/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

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 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.

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 onpremises 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.

<u>AB 861</u> (<u>Solache, D</u>) Community colleges: students: public transportation: Los Angeles Community College District.

Introduced: 02/19/2025

Status: 03/10/2025 - Referred to Coms. on Higher ED. and TRANS.

Calendar: 04/08/25 A-HIGHER EDUCATION 1:30 p.m. - State Capitol, Room 127 FONG, MIKE, Chair

Location: 03/10/2025 - Assembly Higher Education

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 establish the LA Metro Los Angeles Community College GoPass and Student Ambassador Program to promote the use of public transportation by students enrolled at a campus of the Los Angeles Community College District by (1) providing all students with a free transit pass to access the public transportation services provided by LA Metro, and (2) establishing 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. By imposing additional duties on the Los Angeles Community College District and LA Metro, the bill would impose a statemandated local program.

AB 875 (Muratsuchi, D) Vehicle removal.

Introduced: 02/19/2025

Status: 03/28/2025 - Referred to Com. on TRANS. **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 an electric bicycle operated on the highway that is capable of speeds greater than any speed permitted for an electric bicycle, as specified.

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: 03/25/2025 - Re-referred to Com. on JUD.

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: 03/03/2025 - Referred to Com. on L. & E.

Calendar: 04/02/25 A-LABOR AND EMPLOYMENT 1:30 p.m. - State Capitol, Room 447 ORTEGA, LIZ,

Chair

Location: 03/03/2025 - Assembly Labor and Employment

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: 03/03/2025 - Referred to Com. on TRANS.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/03/2025 - Assembly Transportation

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

Status: 03/17/2025 - Referred to Coms. on TRANS. and L. GOV.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/17/2025 - Assembly Transportation

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 that each regional transportation plan include a sustainable communities strategy prepared by each metropolitan planning organization in order to, among other things, achieve certain regional targets established by the State Air Resources Board for the reduction of greenhouse gas emissions from automobiles and light trucks in the region for 2020 and 2035, respectively. This bill would require the regional transportation plan or sustainable communities strategy, upon the adoption or next revision on or after January 1, 2028, to, among other things, identify and analyze connectivity areas, permeability, and natural landscape areas that are partially or fully within the region of the metropolitan planning organization or transportation planning agency, and consider the impacts of development and the barriers caused by transportation infrastructure and development to wildlife and habitat connectivity. The bill would also require metropolitan planning organizations and regional transportation agencies, in implementing those requirements, to, among other things, incorporate appropriate standards, policies, and feasible implementation programs, consult with certain entities, and consider relevant best available science as appropriate.

AB 905 (Pacheco, D) State general obligation bonds: disclosure requirements.

Introduced: 02/19/2025 Last Amended: 03/28/2025

Status: 03/28/2025 - From committee chair, with author's amendments: Amend, and re-refer to Com. on

L. GOV. Read second time and amended.

Location: 03/03/2025 - Assembly Local Government

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.

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. **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. **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: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: Would require the Department of Transportation 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. The bill would require the department, on or before July 1, 2031, to report to the relevant policy committees of the Legislature on the status of the pilot program and recommendations for the development of additional networks of bicycle highways.

AB 963 (Petrie-Norris, D) Public works: prevailing wages: access to records.

Introduced: 02/20/2025

Status: 03/10/2025 - Referred to Com. on L. & E.

Calendar: 04/02/25 A-LABOR AND EMPLOYMENT 1:30 p.m. - State Capitol, Room 447 ORTEGA, LIZ,

Chair

Location: 03/10/2025 - Assembly Labor and Employment

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 965 (Dixon, R) Vehicles: electric bicycles.

Introduced: 02/20/2025 Last Amended: 03/18/2025

Status: 03/19/2025 - Re-referred to Com. on TRANS. **Location:** 03/10/2025 - Assembly Transportation

Summary: This bill, the Orange County Electric Bicycle Safety Pilot Program, would, until January 1, 2030, authorize a local authority within the County of Orange, or the County of Orange in unincorporated areas, to adopt an ordinance or resolution that would prohibit a person under 12 years of age from operating a class 1 or 2 electric bicycle or require a person who does not have a valid driver's license and who is operating an electric bicycle to complete a safety training course, as specified. For the first 60 days following the adoption of an ordinance or resolution for the specified purposes, the bill would make a violation of the ordinance or resolution punishable by a warning notice. After 60 days, the bill would make a violation of the ordinance or resolution an infraction punishable by a fine of \$25, except as specified.

AB 968 (Boerner, D) Electric bicycles: disclosure.

Introduced: 02/20/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/21/25 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 as a bicycle equipped with fully operable pedals and an electric motor of less than 750 watts, and classifies electric bicycles into 3 classes with different restrictions for various purposes. Current law subjects a person riding an electric bicycle to all laws concerning the operation of bicycles, as specified. Current law requires that manufacturers and distributors of electric bicycles apply a label that is permanently affixed to each electric bicycle that contains, among other things, the classification number of the electric bicycle, as specified. A violation of the Vehicle Code is a crime. This bill would, commencing January 1, 2026, require manufacturers and distributors of electric bicycles to include a notice in the electric bicycle's packaging that informs parents of minor riders of the risks and responsibilities associated with operating an electric bicycle.

<u>AB 975 (Gallagher, R)</u> California Environmental Quality Act: lake and streambed alteration agreements: exemptions: culverts and bridges.

Introduced: 02/20/2025 Last Amended: 03/18/2025

Status: 03/19/2025 - Re-referred to Com. on NAT. RES. **Location:** 03/10/2025 - Assembly Natural Resources

Summary: Current law prohibits a person, a state or local governmental agency, or a public utility from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Current law requires the department to determine whether the activity may substantially adversely affect an existing fish and wildlife resource and, if so, to provide a draft lake or streambed alteration agreement to the person, agency, or utility. Current law prescribes various requirements for lake and streambed alteration agreements. Current law also establishes various exemptions from these provisions. This bill would exempt from these provisions emergency projects undertaken, carried out, or approved by a state or local government agency to maintain, repair, restore, or reconstruct a bridge 30 feet long or less or reconstruct a culvert 70 feet long or less, that has been damaged as a result of fire, flood, storm, earthquake, land subsidence, gradual earth movement, or landslide, within one year of the damage.

<u>AB 978 (Hoover, R)</u> Department of Transportation and local agencies: streets and highways: recycled materials.

Introduced: 02/20/2025

Status: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: The California Integrated Waste Management Act of 1989 requires the Director of Transportation, upon consultation with the Department of Resources Recycling and Recovery, to review and modify all bid specifications relating to the purchase of paving materials and base, subbase, and pervious backfill materials using certain recycled materials. Current law requires the specifications to be based on standards developed by the Department of Transportation for recycled paving materials and for recycled base, subbase, and pervious backfill materials. 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 eliminate the feasibility and cost-effectiveness provision described above and would indefinitely require a local government's standard specifications for those specified materials at a level no less than the level allowed in the department's specifications for those specified materials.

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.

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.

Introduced: 02/20/2025 (Spot bill) Last Amended: 03/10/2025

Status: 03/11/2025 - Re-referred to Com. on NAT. RES. **Location:** 03/10/2025 - Assembly Natural Resources

Summary: 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 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

Status: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: Current law establishes various default speed limits for vehicles upon highways, as specified. Current 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.

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 1022 (Kalra, D) Authority to remove vehicles.

Introduced: 02/20/2025

Status: 03/28/2025 - Referred to Com. on TRANS. **Location:** 03/28/2025 - Assembly Transportation

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 1054 (Gipson), which pertained to public employees' retirement, was amended to pertain specifically to the California Highway Patrol and the Department of Forestry and Fire Protection, therefore, it has been removed from the matrix.

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

Status: 02/21/2025 - From printer. May be heard in committee March 23.

Location: 02/20/2025 - Assembly PRINT

Summary: Existing law, 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. This bill would require a public employer that is investigating a public employee for misconduct arising out of the actions described above, 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. Under the bill, if a felony conviction results arising out of any conduct described above, the public employee would forfeit all accrued rights and benefits in any public retirement system pursuant to the provisions described above. This bill contains other related provisions and other existing laws.

AB 1070 (Ward, D) Transit districts: governing boards: compensation: nonvoting members.

Introduced: 02/20/2025

Status: 03/17/2025 - Referred to Coms. on L. GOV. and TRANS.

Location: 03/17/2025 - Assembly Local Government

Summary: Existing law provides for the formation of various transit districts and specifies the duties and powers of their governing boards. Existing 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 authorize the chair of the governing board of a transit district to exclude these nonvoting members from meetings discussing negotiations with labor organizations. By expanding the duties of transit districts, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 1085 (Stefani, D) License plates: obstruction or alteration.

Introduced: 02/20/2025 Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on TRANS.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/24/2025 - Assembly Transportation

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

Status: 03/10/2025 - Referred to Com. on TRANS.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/10/2025 - Assembly Transportation

Summary: Current 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 emergency identification, including, but not limited to, "Ambulance."

<u>AB 1132</u> (<u>Schiavo, D</u>) Department of Transportation: climate change vulnerability assessment: community resilience assessment.

Introduced: 02/20/2025

Status: 03/13/2025 - Referred to Com. on TRANS.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/13/2025 - Assembly Transportation

Summary: Existing law establishes the Department of Transportation to, among other things, plan, design, construct, operate, and maintain the state highway system, as provided. Pursuant to that authority, the department developed 12 district-based Climate Change Vulnerability Assessment reports designed to provide the department with a comprehensive database to help in evaluating, mitigating, and adapting to the effects of increasing extreme weather events on the state transportation system. This bill would require the department, on or before January 1, 2027, to identify key community resilience indicators for measuring the impacts of climate-induced transportation disruptions. The bill would also require the department, on or before January 1, 2028, 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: 03/13/2025 - Referred to Coms. on L. GOV. and TRANS.

Calendar: 04/09/25 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN,

Chair

Location: 03/13/2025 - Assembly Local Government

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.

<u>AB 1223 (Nguyen, D)</u> Local Transportation Authority and Improvement Act: Sacramento Transportation Authority.

Introduced: 02/21/2025 (Spot bill) Last Amended: 03/10/2025

Status: 03/11/2025 - Re-referred to Com. on L. GOV. **Location:** 03/10/2025 - Assembly Local Government

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 establish requirements under the act specific to STA, including provisions pertaining to contracting, allowable expenditures of tax revenues, and the terms and compensation of its governing board. The bill would expand the authority of STA by, among other things, authorizing it to condemn property and to develop and operate toll facilities under specified laws.

AB 1237 (McKinnor, D) County of Los Angeles: sporting events: ticket charge: public transit.

Introduced: 02/21/2025

Status: 03/13/2025 - Referred to Coms. on TRANS. and A.,E.,S., & T.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/13/2025 - Assembly Transportation

Summary: Would authorize Los Angeles County Metropolitan Transportation Authority (LA Metro) 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 Los Angeles for the 2026 FIFA World Cup or the 2028 Olympic and Paralympic Games, as specified. The bill would require LA Metro to use any revenues collected from that charge to support its transit operations. The bill would require LA Metro, if it imposes this charge, to allow any person to use its transit services at no charge on the day of a sporting event in the County of Los Angeles for the 2026 FIFA World Cup or the 2028 Olympic and Paralympic Games if the person presents a ticket to that sporting event at the location where LA Metro collects fares for transit services.

AB 1243 (Addis, D) Polluters Pay Climate Superfund Act of 2025.

Introduced: 02/21/2025

Status: 03/28/2025 - Referred to Coms. on NAT. RES. and JUD.

Location: 03/28/2025 - Assembly Natural Resources

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.

<u>AB 1244</u> (<u>Wicks, D</u>) California Environmental Quality Act: transportation impact mitigation: TransitOriented Development Implementation Program.

Introduced: 02/21/2025 Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on NAT. RES. **Location:** 03/24/2025 - 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. Under current law, the Transit–Oriented Development Implementation Program is administered by the Department of Housing and Community Development to provide local assistance to developers for the purpose of developing higher density uses within close proximity to transit stations as provided. Current law, establishes the Transit–Oriented Development Implementation Fund and, to the extent funds are available, requires the department to make loans for the development and construction of housing development projects within close proximity to a transit station that meet specified criteria. This bill would authorize a project, to the extent that the project is required to mitigate transportation impacts under CEQA, to satisfy the mitigation requirement by electing to contribute an unspecified amount of money for each vehicle mile traveled to the TransitOriented Development Implementation Program. The bill would require, upon appropriation by the Legislature, the contributions to be available to the department to fund developments located in the same region, as defined, with preference given to specified projects.

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: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on H. & C.D.

Location: 03/24/2025 - Assembly Housing and Community Development

Summary: Existing law, 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. Existing law 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. This bill would, except for cities and counties without a council of governments, instead require the department, in consultation with each council of governments, to determine each region's existing and projected housing need at least 3 years before the scheduled revision, as specified.

AB 1286 (Boerner, D) Political Reform Act of 1974: prospective employment.

Introduced: 02/21/2025 (Spot bill) Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on Elections.

Calendar: 04/09/25 A-ELECTIONS 9 a.m. - State Capitol, Room 444 PELLERIN, GAIL, Chair

Location: 03/24/2025 - Assembly Elections

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. The act requires each public agency to adopt a conflict of interest code that requires designated employees to file statements disclosing their business positions, investments, interests in real property, and income, according to specified deadlines. This bill would also require public officials to disclose arrangements for prospective employment according to specified deadlines, and would require public agencies' conflict of interest codes to include similar disclosure requirements for designated employees.

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 Last Amended: 03/28/2025

Status: 04/01/2025 - Re-referred to Com. on JUD. **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 1331 (Elhawary, D) Workplace surveillance.

Introduced: 02/21/2025

Status: 03/28/2025 - Referred to Coms. on L. & E., P. & C.P. and JUD.

Calendar: 04/02/25 A-LABOR AND EMPLOYMENT 1:30 p.m. - State Capitol, Room 447 ORTEGA, LIZ,

Chair

Location: 03/28/2025 - Assembly Labor and Employment

Summary: Would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in private, off-duty areas, as specified, and requiring workplace surveillance tools to be disabled during off-duty hours, as specified.

AB 1337 (Ward, D) Information Practices Act of 1977.

Introduced: 02/21/2025

Status: 03/17/2025 - Referred to Com. on P. & C.P.

Calendar: 04/01/25 A-PRIVACY AND CONSUMER PROTECTION Upon adjournment of Session - State

Capitol, Room 437 BAUER-KAHAN, REBECCA, Chair

Location: 03/17/2025 - Assembly Privacy and Consumer Protection

Summary: Existing law, 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. Existing 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. The bill would make other technical, nonsubstantive, and conforming changes. Because the bill would expand the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 1340 (Wicks, D) Metropolitan Transportation Commission: duties.

Introduced: 02/21/2025

Status: 03/13/2025 - Referred to Com. on TRANS. **Location:** 03/13/2025 - Assembly Transportation

Summary: The Metropolitan Transportation Commission Act establishes the Metropolitan Transportation Commission to provide comprehensive regional transportation planning for the San Francisco Bay area, as provided. Existing law requires the commission to establish a regional transit coordinating council to better coordinate routes, schedules, fares, and transfers among the San Francisco Bay area transit operators and to explore potential advantages of joint ventures in certain areas. The act authorizes the commission, in consultation with the regional transit coordinating council, to identify functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service, and recommend that those functions be consolidated and performed through inter-operator agreements or as services contracted to a single entity. This bill would require the commission to consult with the general manager from each transit operator, instead of the regional transit coordinating council, when identifying functions that could be consolidated and recommending their consolidation, as described above. To the extent that this bill would impose additional duties on transit operators, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

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.

<u>AB 1372</u> (<u>Papan</u>, <u>D</u>) 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. **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: 03/10/2025

Status: 03/11/2025 - Re-referred to Com. on P. E. & R.

Location: 03/10/2025 - Assembly Public Employment and Retirement

Summary: Current law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of 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. By increasing the contribution to continuously appropriated funds, this bill would make an appropriation.

AB 1399 (Hoover, R) Department of Transportation: encroachment permits: broadband facilities.

Introduced: 02/21/2025 Last Amended: 03/24/2025

Status: 03/25/2025 - Re-referred to Com. on TRANS.

Calendar: 04/21/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/24/2025 - Assembly Transportation

Summary: Existing law establishes the Department of Transportation and vests it with full possession and control of all state highways and all property and rights in property for state highway purposes. Existing law authorizes the department to issue a written permit to place an encroachment on the state highway. Existing law requires the department to perform certain actions if the encroachment permit application is for a broadband facility. This bill would require the department's application and review process for an encroachment permit application for a broadband facility to be uniform throughout the state. The bill would require the department to expedite review of an encroachment permit application for broadband facilities.

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

Status: 03/17/2025 - Referred to Coms. on TRANS. and U. & E.

Calendar: 04/07/25 A-TRANSPORTATION 2:30 p.m. - 1021 O Street, Room 1100 WILSON, LORI, Chair

Location: 03/17/2025 - Assembly Transportation

Summary: Current law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in consultation with the Public Utilities Commission, 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.

ACA 7 (Jackson, D) Government preferences.

Introduced: 02/13/2025

Status: 02/14/2025 - From printer. May be heard in committee March 16.

Location: 02/13/2025 - Assembly PRINT

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.

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: 03/26/2025 - Set for hearing April 9.

Location: 03/19/2025 - Senate L., P.E. & R.

Calendar: 04/09/25 S-LABOR, PUBLIC EMPLOYMENT AND RETIREMENT 9:30 a.m. - 1021 O Street,

Room 2200 SMALLWOOD-CUEVAS, LOLA, Chair

Summary: This bill would require an employer, or a vendor engaged by the employer, to provide a written notice that an automated decision system (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: 03/28/2025 - Set for hearing April 7.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/25/2025 - Senate Appropriations

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: 03/26/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on TRANS.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 02/19/2025 - Senate Transportation

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.

<u>SB 34</u> (<u>Richardson, D</u>) Air pollution: South Coast Air Quality Management District: mobile sources: public seaports.

Introduced: 12/02/2024 Last Amended: 03/24/2025

Status: 03/28/2025 - April 2 set for first hearing canceled at the request of author.

Location: 01/29/2025 - Senate Environmental Quality

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. Existing law authorizes air districts to adopt and implement regulations to reduce or mitigate emissions from indirect sources of air pollution. Existing 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. Existing 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. This bill would, until January 1, 2036, prohibit the district from adopting, considering adopting, or requiring that any local agency or city enforce any regulation or indirect source rule to address pollution from any mobile source that is already subject to regulation by the state board and that is associated with an operation at any public seaport or marine terminal facility at a public seaport. The bill would, until January 1, 2036, authorize specified entities, including the district, to enter into a voluntary agreement to address pollution from any mobile source associated with an operation at any public seaport or marine terminal facility at a public seaport if the voluntary agreement meets specified requirements.

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: 03/25/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on RLS.

Location: 01/09/2025 - Senate Rules

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: 03/28/2025 - Set for hearing April 8.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 03/19/2025 - Senate Transportation

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: 03/24/2025

Status: 03/24/2025 - Set for hearing April 2. From committee with author's amendments. Read second time

and amended. Re-referred to Com. on L. GOV.

Calendar: 04/02/25 S-LOCAL GOVERNMENT 9:30 a.m. - 1021 O Street, Room 2200 DURAZO, MARÍA

ELENA, Chair

Location: 01/29/2025 - Senate Local Government

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 to develop and construct infrastructure projects, as defined. 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 to the initial infrastructure's project's total cost. 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: study: state highway system: road safety projects.

Introduced: 01/15/2025

Status: 01/29/2025 - Referred to Com. on TRANS.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 01/29/2025 - Senate Transportation

Summary: Would require the Department of Transportation to conduct a study to identify certain locations in the state highway system with regard to vehicle collisions, projects that could improve road safety at each of those locations, and common factors, if any, contributing to the delay in the delivery of those projects. The bill would require the department to post the study on its internet website on or before January 1, 2027.

SB 222 (Wiener, D) Climate disasters: civil actions.

Introduced: 01/27/2025 Last Amended: 03/28/2025

Status: 03/28/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on JUD.

Calendar: 04/08/25 S-JUDICIARY 1:30 p.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

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.

<u>SB 231 (Seyarto, R)</u> California Environmental Quality Act: the Office of Land Use and Climate Innovation: technical advisory.

Introduced: 01/28/2025 Last Amended: 03/20/2025

Status: 03/28/2025 - Set for hearing April 7.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/19/2025 - Senate Appropriations

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: 03/28/2025 - Set for hearing April 7.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/19/2025 - Senate Appropriations

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

Status: 03/24/2025 - Set for hearing April 2.

Calendar: 04/02/25 S-LOCAL GOVERNMENT 9:30 a.m. - 1021 O Street, Room 2200 DURAZO, MARÍA

ELENA, Chair

Location: 02/14/2025 - Senate Local Government

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 the primary physical meeting location. 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: 03/24/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on RLS.

Location: 01/30/2025 - Senate Rules

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: 03/28/2025 - Set for hearing April 7.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/18/2025 - Senate Appropriations

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: 03/27/2025 - Read second time. Ordered to consent calendar.

Calendar: 04/01/25 #36 S-CONSENT CALENDAR SECOND LEGISLATIVE DAY

Location: 03/25/2025 - Senate CONSENT CALENDAR

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.

<u>SB 280</u> (<u>Cervantes</u>, <u>D</u>) Political Reform Act of 1974: prohibition on contributions in state and local government office buildings.

Introduced: 02/05/2025 Last Amended: 03/25/2025

Status: 03/25/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on E. & C.A.

Calendar: 04/01/25 S-ELECTIONS AND CONSTITUTIONAL AMENDMENTS 10:30 a.m. - 1021 O Street,

Room 2100 CERVANTES, SABRINA, Chair

Location: 02/14/2025 - Senate Elections and Constitutional Amendments

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.

SB 314 (Padilla, D) Weights and measures: electric vehicle supply equipment.

Introduced: 02/10/2025 Last Amended: 03/17/2025

Status: 03/18/2025 - Set for hearing April 21.

Calendar: 04/21/25 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: 03/24/2025 - Set for hearing April 23.

Calendar: 04/23/25 S-LOCAL GOVERNMENT 9:30 a.m. - State Capitol, Room 113 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) Diesel Fuel Tax Law: exempt bus operation.

Introduced: 02/13/2025

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: The Diesel Fuel Tax Law imposes taxes at a specified rate with respect to the distribution or delivery of each gallon of diesel fuel, and establishes various exemptions from those taxes, including an exemption for an exempt bus operation that consists of, among other things, a 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.

<u>SB 375</u> (<u>Grove, R</u>) Wildfire prevention activities: Endangered Species Act: California Environmental Quality Act: California Coastal Act of 1973.

Introduced: 02/13/2025

Status: 03/17/2025 - Set for hearing April 8.

Calendar: 04/08/25 S-NATURAL RESOURCES AND WATER 9 a.m. - 1021 O Street, Room 2100 LIMÓN,

MONIQUE, Chair

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.

<u>SB 400 (Cortese, D)</u> Road Maintenance and Rehabilitation Account: University of California: California State University: reports.

Introduced: 02/14/2025 Last Amended: 03/27/2025

Status: 03/27/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on TRANS.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 02/26/2025 - Senate Transportation

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 and the California State University, on or before January 1 of each year, to each submit a report to the Transportation Agency and specified legislative committees detailing its 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: 04/01/2025 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April

1). Re-referred to Com. on APPR.

Location: 04/01/2025 - Senate Appropriations

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: 02/26/2025 - Referred to Com. on E.Q. 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: 04/01/2025 - Set for hearing April 7.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/26/2025 - Senate Appropriations

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) Sustainable Transportation Project Permits and Cooperative Agreements.

Introduced: 02/18/2025

Status: 02/26/2025 - Referred to Coms. on TRANS. and L. GOV.

Location: 02/26/2025 - Senate Transportation

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 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, until January 1, 2030, exempts from its requirements certain transportation-related projects if specified requirements are met. CEQA includes within these exempt transportation-related projects a public project for the institution or increase of bus rapid transit, bus, or light rail service, which will be exclusively used by low-emission or zero-emission vehicles, on existing public rights-of-way or existing highway rights-of-way. This bill would require a lead agency to provide a written notice with specified information to a third-party entity, defined by the bill to mean a local agency, electrical corporation, or private telecommunications provider, regarding its need to use, relocate, alter, change, or otherwise improve facilities, publicly owned and managed utilities, public spaces, or other publicly or privately owned facilities under the third-party entity's jurisdiction or ownership for the implementation of a sustainable transportation project. This bill would define "sustainable transportation project" to mean a project where the lead agency is a state agency, operator, or local agency that proposes the construction or modification of facilities meeting at least one of several specified criteria, including that it is exempt from CEQA pursuant to the above-described provisions.

SB 455 (Blakespear, D) Electric bicycles.

Introduced: 02/19/2025 (Spot bill) Last Amended: 03/25/2025

Status: 03/25/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on RLS.

Location: 02/19/2025 - Senate Rules

Summary: 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 requires electric bicycles to comply with specified equipment and manufacturing requirements. Current law requires manufacturers and distributors of electric bicycles to apply a label that is permanently affixed to each electric bicycle that contains, among other things, the classification number of the electric bicycle, as specified. Current law prohibits specified vehicles from being advertised, sold, offered for sale, or labeled as electric bicycles, including a vehicle that is modified to attain a speed greater than 20 miles per hour on motor power alone or to have motor power of more than 750 watts. Current law prohibits the sale of a product or device that can modify the speed capability of an electric bicycle such that it no longer meets the definition of an electric bicycle. A violation of the Vehicle Code is a crime. This bill would, commencing July 1, 2026, revise the labeling requirements described above to require manufacturers and distributors to apply an etching, engraving, or label that is permanently affixed skyward on the frame of the electric bicycle and contains additional information, including the brand name and manufacturer or distributor of the electric bicycle. The bill would revise the above-described list of vehicles prohibited from being advertised, sold, offered for sale, or labeled as electric bicycles, as specified, and include on the list, among other things, a vehicle that is capable of providing assistance when the bicycle reaches a speed exceeding 28 miles per hour. The bill would require any incident report filed by a peace officer for an injury or crash involving an electric bicycle to include all of the information provided in the etching, engraving, or label described above or to indicate that a marking was not available.

SB 464 (Smallwood-Cuevas, D) Employer pay data.

Introduced: 02/19/2025

Status: 03/12/2025 - Referred to Coms. on L., P.E. & R. and JUD.

Location: 03/12/2025 - Senate L., P.E. & R.

Summary: Current 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. Current law requires a private employer that has 100 or more employees to submit an annual pay data report to the Civil Rights Department that includes the number of employees by race, ethnicity, and sex in specified job categories, whose pay falls within federal pay bands, and within each job category the median and mean hourly rate for each combination of those characteristics as specified. This bill would also require public employers with 100 or more employees to submit the annual pay data report beginning in 2027. The bill would require an employer to collect and store any demographic information it gathers for the purpose of submitting the pay data report separately from employees' personnel records. This bill would also expand the demographics for the reporting requirements to also include sexual orientation and require the report to include information by sexual orientation about the number of employees in specified job categories, whose pay falls within federal pay bands, and within each job category the median and mean hourly rate for each combination of the specified characteristics.

SB 467 (Laird, D) Highways: Highway Signage Fund.

Introduced: 02/19/2025 Last Amended: 03/27/2025

Status: 03/27/2025 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/25/2025 - Senate Appropriations

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.

<u>SB 469 (Smallwood-Cuevas, D)</u> Department of Industrial Relations: task force: public infrastructure: employment: underrepresented communities.

Introduced: 02/19/2025

Status: 03/26/2025 - March 26 set for first hearing canceled at the request of author.

Calendar: 04/09/25 S-LABOR, PUBLIC EMPLOYMENT AND RETIREMENT 9:30 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.

obligations, as specified.

SB 470 (Laird, D) Bagley-Keene Open Meeting Act: teleconferencing.

Introduced: 02/19/2025

Status: 03/27/2025 - Set for hearing April 8.

Calendar: 04/08/25 S-JUDICIARY 1:30 p.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 03/25/2025 - Senate Judiciary

Summary: The Bagley-Keene Open Meeting 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. The act authorizes an additional, alternative set of provisions under which a state body may hold a meeting by teleconference subject to specified requirements, including, among others, that at least one member of the state body is physically present at each teleconference location, as defined, that a majority of the members of the state body are physically present at the same teleconference location, except as specified, and that members of the state body visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, except as specified. The act authorizes, under specified circumstances, a member of the state body to participate pursuant to these provisions from a remote location, which would not be required to be accessible to the public and which the act prohibits the notice and agenda from disclosing. The act repeals these provisions on January 1, 2026. This bill would delete the January 1, 2026 repeal date, thereby authorizing the above-described additional, alternative set of teleconferencing provisions indefinitely.

SB 474 (Niello, R) State Air Resources Board: regulatory authority: revocation.

Introduced: 02/19/2025

Status: 02/26/2025 - Referred to Com. on E.Q. **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 496 (Hurtado, D) Advanced Clean Fleets Regulation: appeals advisory committee: exemptions.

Introduced: 02/19/2025

Status: 03/11/2025 - Set for hearing April 2.

Calendar: 04/02/25 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 112 BLAKESPEAR,

CATHERINE, Chair

Location: 02/26/2025 - Senate Environmental Quality

Summary: The California Global Warming Solutions Act of 2006 establishes the state 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. 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. The bill would require the state board to consider a recommendation of the committee at a public meeting no later than 60 days after the recommendation is made.

SB 506 (Committee on Transportation,) Transportation: omnibus bill.

Introduced: 02/19/2025 Last Amended: 03/24/2025

Status: 03/25/2025 - Set for hearing April 8.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 02/26/2025 - Senate Transportation

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 513 (Durazo, D) Personnel records.

Introduced: 02/19/2025

Status: 03/28/2025 - Set for hearing April 7.

Calendar: 04/07/25 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA,

Chair

Location: 03/26/2025 - Senate Appropriations

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 526 (Menjivar, D) South Coast Air Quality Management District: air quality.

Introduced: 02/20/2025

Status: 03/28/2025 - April 2 set for first hearing canceled at the request of author.

Location: 03/05/2025 - Senate Environmental Quality

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: 03/27/2025 - Set for hearing April 8.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 03/24/2025 - Senate Transportation

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

Status: 03/25/2025 - Set for hearing April 8.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 03/05/2025 - Senate Transportation

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. The bill would require an infrastructure district established in support of the high-speed rail project to include local improvements among the eligible projects to be funded by district revenues. The bill would require any revenues collected beyond the establishment of an infrastructure district to be committed to the ongoing maintenance and operation of the high-speed rail system.

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: 03/26/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on RLS.

Location: 02/20/2025 - Senate Rules

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

Status: 03/05/2025 - Referred to Com. on TRANS. **Location:** 03/05/2025 - Senate Transportation

Summary: The bill would require the Department of Transportation to develop a joint action plan for each district of the department in which homeless encampments are located on department property in collaboration with local governments located in the district. The bill would require the department, upon appropriation by the Legislature, to allocate funds to support collaborative efforts with local governments to address homeless encampments on department property. The bill would require the department to establish an advisory committee in each district for the purpose of providing advice on the implementation of these provisions. The bill would require the department to submit an annual report to the Legislature summarizing specified information and recommendations regarding homeless encampments on department property.

SB 590 (Durazo, D) Paid family leave: eligibility: care for designated persons.

Introduced: 02/20/2025

Status: 03/05/2025 - Referred to Com. on L., P.E. & R.

Calendar: 04/09/25 S-LABOR, PUBLIC EMPLOYMENT AND RETIREMENT 9:30 a.m. - 1021 O Street,

Room 2200 SMALLWOOD-CUEVAS, LOLA, Chair

Location: 03/05/2025 - Senate L., P.E. & R.

Summary: Existing 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. 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. The bill would define designated person to mean any individual related by blood or whose association with the employee is the equivalent of a family relationship. The bill would authorize the employee to identify the designated person when they file a claim for benefits. The bill would make conforming changes to the definitions of the term's family care leave and family member. This bill contains

SB 642 (Limón, D) Employment: payment of wages.

Introduced: 02/20/2025

other existing laws.

Status: 03/12/2025 - Referred to Coms. on L., P.E. & R. and JUD.

Location: 03/12/2025 - Senate L., P.E. & R.

Summary: Current law requires an employer, upon reasonable request, to provide the pay scale for a position to an applicant applying for the position. Current law requires an employer with 15 or more employees to include the pay scale for a position in any job posting. Existing law also requires an employer with 15 or more employees that engages a third party to announce, post, publish, or otherwise make known a job posting to provide the pay scale to the third party and requires the third party to include the pay scale in the job posting. Current law establishes certain civil penalties for a violation of those provisions, provides for enforcement by the Labor Commissioner of the Division of Labor Standards Enforcement, and makes violation of certain provisions a crime. This bill would require the pay scale provided for purposes of those provisions to be no more than 10% above or below the mean pay rate within the salary or hourly wage range.

SB 671 (Cervantes, D) Pedestrian crossing signals.

Introduced: 02/20/2025

Status: 03/05/2025 - Referred to Com. on TRANS.

Calendar: 04/08/25 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE,

Chair

Location: 03/05/2025 - Senate Transportation

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 current 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, existing 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, existing law requires that the trafficactuated 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 stateowned 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.

SB 676 (Limon), which pertained to a responsible agency under the California Environmental Quality Act, was amended to pertain specifically to state of emergencies for fires, therefore, has been removed from the matrix.

SB 684 (Menjivar, D) Polluters Pay Climate Superfund Act of 2025.

Introduced: 02/21/2025 Last Amended: 03/26/2025

Status: 03/26/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on E.Q.

Calendar: 04/02/25 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 112 BLAKESPEAR,

CATHERINE, Chair

Location: 03/05/2025 - Senate Environmental Quality

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

Status: 03/24/2025 - Set for hearing April 2.

Calendar: 04/02/25 S-LOCAL GOVERNMENT 9:30 a.m. - 1021 O Street, Room 2200 DURAZO, MARÍA

ELENA, Chair

Location: 03/12/2025 - Senate Local Government

Summary: 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 two-way telephonic option or a two-way audiovisual platform, as defined, that a system is in place for requesting and receiving interpretation services for public meetings, as specified, and that good faith efforts are made to encourage residents to participate in public meetings, as specified. By imposing additional meeting requirements on city councils and county boards of supervisors, this bill would impose a state-mandated local program.

<u>SB 714</u> (<u>Archuleta, D</u>) 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: local emergency declaration.

Introduced: 02/21/2025

Status: 03/12/2025 - Referred to Com. on N.R. & W.

Location: 03/12/2025 - Senate Natural Resources and Water

Summary: Existing law, the California Coastal Act of 1976, establishes the California Coastal Commission and provides for planning and regulation of development in the coastal zone, as defined. The act requires the commission to provide, by regulation, for the issuance of coastal development permits by the executive director of the commission or, where the development permit authority has been delegated to a local government, by an appropriate local official designated by resolution of the local government without compliance with the procedures prescribed in the act in cases of emergency, except as provided, and for certain nonemergency developments, as described. This bill would include as an emergency, for purposes of the latter provision, a local emergency declaration by a municipality, county, or special district.

$\underline{\text{SB }752}$ (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 Procurement Climate Information Act.

Introduced: 02/21/2025

Status: 03/12/2025 - Referred to Coms. on G.O. and E.Q. **Location:** 03/12/2025 - Senate Governmental Organization

Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. Existing law, 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. Existing law also states the intent of the Legislature for all state agencies, as defined, to aim to achieve net-zero emissions of greenhouse gases resulting from their operations, including scope 1 and scope 2 emissions, no later than January 1, 2035, or as soon as feasible thereafter. Existing law requires the Department of General Services, in consultation with the State Air Resources Board, in making progress toward the above-described goal, to, among other things, publish on its internet website or other publicly available location an inventory of the greenhouse gas emissions of state agencies for the prior calendar vear, as specified. This bill, the California Procurement Climate Information Act, would require the department, beginning January 1, 2027, to require a large contractor and significant contractor, as defined, to report their greenhouse gas emissions and climate-related financial risk, as specified. The bill would require the report to include, 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. This bill contains other existing laws.

SB 769 (Caballero, D) The Golden State Infrastructure Corporation Act.

Introduced: 02/21/2025

Status: 03/18/2025 - Set for hearing April 21.

Calendar: 04/21/25 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: 03/12/2025 - Senate Business, Professions and Economic Development

Summary: The Bergeson-Peace Infrastructure and Economic Development Bank Act authorizes the California Infrastructure and Economic Development Bank, governed by a board of directors, to make loans, issue bonds, and provide other financial assistance for various types of infrastructure and economic development projects. 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. This bill would prescribe the powers and duties of the corporation, including entering into financing transactions, borrowing money or issuing bonds, and setting and charging fees for obtaining financing from the corporation.

SB 772 (Cabaldon, D) Infill Infrastructure Grant Program of 2019: applications: eligibility.

Introduced: 02/21/2025

Status: 03/12/2025 - Referred to Com. on HOUSING.

Location: 03/12/2025 - Senate Housing

Summary: Existing 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. Existing law requires the department, in its review of applications, to rank affected qualifying infill projects and catalytic qualifying infill area's inclusion of, or proximity to, a train station or major transit stop and the proximity of housing to existing or planned parks, employment or retail centers, schools, or social services. This bill would revise these provisions to require the department to rank applications, as described above, based on the qualifying infill area's or catalytic qualifying infill area's inclusion of, or proximity or accessibility to, a transit station or major transit stop or walkability to essential services or businesses. The bill would additionally revise these provisions to require the department's ranking to be based on the proximity of housing to services, rather than social services. This bill contains other related provisions and other existing laws.

SB 800 (Reyes, D) State highways: overpasses: pilot program: suicide prevention.

Introduced: 02/21/2025

Status: 03/12/2025 - Referred to Com. on TRANS. **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: 03/28/2025

Status: 03/28/2025 - From committee with author's amendments. Read second time and amended. Re-

referred to Com. on L., P.E. & R.

Calendar: 04/09/25 S-LABOR, PUBLIC EMPLOYMENT AND RETIREMENT 9:30 a.m. - 1021 O Street,

Room 2200 SMALLWOOD-CUEVAS, LOLA, Chair **Location:** 03/12/2025 - Senate L., P.E. & R.

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 as specified. 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.





April 28, 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 April 17, 2025

Present: Directors Foley, Janet Nguyen, Tavoularis, Tettemer, and

Wagner

Absent: Director Jung

Committee Vote

No action was taken on this item.

Staff Recommendation(s)

Receive and file as an information item.



April 17, 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 report includes an update on Environmental Protection Agency actions related to the endangerment finding for greenhouse gas emissions and waivers granted to California to enforce air quality regulations, a summary on the confirmation of the Administrator of the Federal Transit Administration and a summary of the Secretary of Transportation Sean Duffy's participation in a Senate Environment and Public Works Committee hearing on transportation reauthorization.

FOR

Recommendation

Receive and file as an information item.

Discussion

Update on Environmental Protection Agency Congressional Review Act Process for California Waivers

Recent discussions within the Environmental Protection Agency (EPA) have centered on revising various air quality standards, including the potential repeal of the "Endangerment and Cause or Contribute Findings for Greenhouse Gases (GHG) Under Section 202(a) of the Clean Air Act," Final Rule, 74 FR 66496 (December 15, 2009 [2009 Endangerment Finding]), which serves as the legal basis for regulating GHG emissions under the Clean Air Act. This development follows President Trump's issuance of Executive Order 14154, titled "Unleashing American Energy," which directs the EPA Administrator to evaluate the legality and continued applicability of the 2009 Endangerment Finding. Repealing the Endangerment Finding could pave the way for the rollback of several federal regulations on GHG emissions, creating some uncertainty for how such emissions would be taken into account. This includes potential implications for state-level regulations. A repeal could trigger legal and policy challenges over

whether or how states, such as California, would regulate GHG emissions independently of federal standards.

On March 12, 2025, the EPA announced a process to formally reconsider the 2009 Endangerment Finding, including the rules that stem from the finding. This process is to be done in coordination with the Office of Management and Budget and other federal agencies and include opportunities for public comment.

Under authority established in the 1960s, California has historically been able to set more stringent air quality standards by being granted waivers from the EPA. Waivers have been granted more than 50 times since the Orange County Transportation Authority (OCTA) was created. Separate authority allows other states to adopt the California standards, which 18 states have chosen to do, at least partially. Towards the end of the Biden Administration, three new waivers were approved: Heavy-Duty Omnibus low nitrous oxides regulation, the Advanced Clean Trucks rule, and the Advanced Clean Cars II Program.

As part of President Trump's Executive Order, "Unleashing American Energy," the Administration directed that state emission waivers that function to limit gas-powered vehicles should be terminated. As a result of this directive, there has been renewed attention on the Congressional Review Act (CRA) and its potential role in reversing recent EPA actions. The CRA allows Congress to nullify recently finalized federal regulations through a simple majority vote and is not subject to the Senate filibuster, making it a powerful tool for incoming majorities. However, the CRA only applies to actions classified as "rules" under the Administrative Procedure Act (APA).

The Trump Administration has indicated it that it intends to submit these waivers to Congress to consider using the CRA to overturn them. If successful, overturning these waivers could undermine California's ability to implement key components of its air quality and climate plans, disrupt compliance pathways for manufacturers, and potentially jeopardize federal air quality attainment in regions that rely on the reductions these regulations are projected to deliver.

Recently, the Government Accountability Office (GAO), for a second time, opined that California waiver approvals are not subject to the CRA. According to the GAO, the waivers do not constitute rules and are therefore outside the CRA's reach. However, this determination has drawn criticism from some lawmakers. House Oversight Chair James Comer (R-KY) and Energy and Commerce Chair Brett Guthrie (R-KY) recently sent a letter to the GAO questioning the timing and motivations behind its conclusion. The lawmakers argued that the very act of the EPA submitting the waivers to Congress implies they are subject to CRA review and accused GAO of exceeding its traditional advisory role by issuing a contrary opinion after the waivers were submitted. Despite the GAO's position, Senate Republicans introduced CRA resolutions on April 4 to overturn California's vehicle emissions waivers, an action taken just hours after Senate

Parliamentarian Elizabeth MacDonough advised that such waivers are not subject to CRA review, reaffirming the GAO's stance.

If Congress were to reinterpret such waivers as rules and attempt disapproval under the CRA, it could set a new precedent. This shift would challenge California's longstanding authority under the Clean Air Act. Staff continues to monitor these developments for their potential impact on California's regulatory authority and any Clean Air Act waivers that may be relevant to OCTA.

Marcus Molinaro (R-NY) Confirmed by Senate Committee for Federal Transit Administration Role

On April 3, 2025, former U.S. Representative Marcus Molinaro was confirmed by the Senate Committee on Banking, Housing, and Urban Affairs (Committee) as the nominee for Federal Transit Administrator, advancing his appointment to a full Senate vote. The committee approved his nomination with a 20-4 vote, with opposition from four Democratic Senators. If confirmed by the full Senate, Molinaro will officially lead the Federal Transit Administration (FTA).

During his March 27 nomination hearing, Molinaro received bipartisan support and used his testimony to outline a forward-looking agenda for the FTA. He emphasized the importance of modernizing transit systems through innovative technologies, streamlining the permitting process, and ensuring accountability and transparency in project delivery. Molinaro also committed to ensuring the timely disbursement of contracted and obligated awards under the Infrastructure Investment and Jobs Act (IIJA), recognizing the urgency many agencies face in moving projects forward.

Drawing on his experience as Dutchess County Executive, Molinaro highlighted his ThinkDIFFERENTLY initiative as a model for inclusive, action-driven leadership. The program reshaped how local government served people with physical, developmental, and intellectual disabilities, embedding universal accessibility as a core value. That same commitment, he said, would guide his work at the FTA. Molinaro described transit as "the shared circulatory system of our economy," pledging to make accessibility, innovation, and locally driven solutions central to his leadership. Molinaro also, in response to various questions from Committee members, emphasized the need for flexibility for each region and transit agency to decide how to prioritize their funding, and also affirmed his respect for the expertise of career staff at FTA.

With support from both sides of the aisle, Molinaro is expected to be confirmed by the full Senate in the coming weeks.

Summary of Senate Committee on Environment and Public Works Hearing on Constructing the Surface Transportation Reauthorization Bill

On April 2, 2025, the Senate Committee on Environment and Public Works held a hearing titled "Constructing the Surface Transportation Reauthorization Bill: United States Secretary of Transportation's Perspective." The hearing featured testimony from U.S. Secretary of Transportation Sean Duffy and focused on administration priorities for the upcoming surface transportation reauthorization legislation. The hearing focused on project delivery challenges, infrastructure investment strategies, and lessons learned from the implementation of the IIJA.

Chairman Shelly Moore Capito (R-WV) called for targeted investments to improve safety and reliability, reforms to reduce red tape, and flexibility for states to meet their unique infrastructure needs. Ranking Member Sheldon Whitehouse (D-RI) emphasized continued permitting delays and urged progress in regulatory reform, while warning against political interference in project funding.

Secretary Duffy outlined the Department of Transportation's (DOT) priorities, naming safety, modernization, and efficiency as top goals. He described current efforts to improve project delivery, including streamlining environmental reviews and revising outdated fuel economy standards. A major topic of discussion was a backlog of over 3,200 awarded projects that have not yet reached signed grant agreements—many stemming from last-minute approvals under the prior administration. Duffy confirmed that the DOT is working through the backlog and emphasized that most projects are viable but delayed due to National Environmental Policy Act clearance or lack of readiness.

Senator Alex Padilla (D-CA) stressed the importance of federal support for the 2028 Los Angeles Olympic Games (LA28), citing the need to improve transportation infrastructure to accommodate an anticipated 15 million ticketholders. He asked for a dedicated line item in the President's budget to support LA28 and future Olympic events. Secretary Duffy responded that the DOT is actively involved in a federal Olympics task force and is committed to supporting preparations in a timely and coordinated manner. Senator Adam Schiff (D-CA) raised concerns about California projects still awaiting decisions under programs like the National Infrastructure Project Assistance Program (also known as the Mega Program), the Nationally Significant Multimodal Freight and Highway Projects program (also known as INFRA), and other grants under the purview of the federal agencies such as the Federal Highway Administration. He warned that these delays risk jeopardizing project viability. Secretary Duffy noted that the DOT is preparing to move forward on several California projects including a project in Madera County and a project at the Otay Mesa Port of Entry—and clarified that delays are due to the high volume of projects rather than staff shortages.

Members also discussed the need to institutionalize faster project delivery processes and reduce unnecessary regulatory burdens. Secretary Duffy committed to advancing reforms under the One Federal Decision policy framework and revising guidance for programs like the National Electric Vehicle Infrastructure Program to better align with evolving needs. The hearing closed with bipartisan agreement on the importance of streamlining project approvals, supporting infrastructure in both urban and rural communities, and maintaining consistent federal leadership to help states build projects more efficiently.

Summary

A summary is provided on the Federal Transit Administrator nomination hearing and an update on Environmental Protection Agency discussions that may impact California's emissions waivers under the Congressional Review Act. A summary is provided on the Senate Environment and Public Works Committee hearing on surface transportation reauthorization with testimony from U.S. Secretary of Transportation Sean Duffy.

Attachment

Α. Potomac Partners DC, Monthly Legislative Report – March 2025

Senior Government Relations Representative,

Government Relations

(714) 560-5475

Approved by

Kristin Jacinto Executive Director.

Government Relations

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Monthly Legislative Report – March 2025

Advocacy Meetings

House Transportation and Infrastructure (T&I), Majority Staff Director – We met with the Committee Staff Director to discuss OCTA Board adopted surface transportation reauthorization principles and possible permit streamlining for rail projects in California. We also discussed capital and operational funding needs to support the 2028 Olympics and ways to make strategic investments in regional transportation infrastructure. The Committee Staff Director shared with us the potential timeline for Surface Transportation Reauthorization in the House and information on how to submit stakeholder input. In the meeting, OCTA also highlighted several board-adopted Reauthorization principles, including the prioritization of formula funding with the flexibility to respect the unique nature of regional transportation agencies in the Southern California Association of Governments region. We will continue to follow up with the committee staff in April on specific language requests for the bill.

Office of Congressman Mike Levin (D-CA) – We facilitated a meeting with Rep. Levin and his staff to discuss updates on the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor and possible emergency permitting that could help expedite work and the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program funding that is currently pending. We also discussed board adopted principles for the surface transportation reauthorization.

Senate Banking Committee, Majority Staff – We facilitated a meeting with Majority staff to discuss OCTA's Reauthorization principles. We discussed support for dedicated federal transit funding including the historic 80-20 highway-transit funding split. OCTA CEO also provided an update on the OC Streetcar and target dates for revenue service. Finally, we discussed ways to streamline the discretionary grant process at the Federal Transit Administration and potential impacts we anticipate due to staffing reductions at the regional level.

Senate Commerce Committee, Surface Transportation Subcommittee, Majority Staff – We facilitated a meeting with Majority staff to discuss OCTA's Reauthorization principles. We discussed LOSSAN Corridor as well as the funding challenges for regional rail. We specifically discussed the Surface Transportation Reauthorization timing in the Senate and other upcoming hearings for the Committee.

Office of Congresswoman Young Kim (R-CA) – We facilitated a meeting with Congresswoman Kim to discuss the Surface Transportation Reauthorization, to include board adopted principles as well as the need for emergency permitting for the LOSSAN corridor to help facilitate the timely obligation of state and pending federal funding. We also met several times this month with staff to discuss the Interstate 5 Improvement Project timeline and budget.

Congressman Derek Tran (D-CA) – We met with the Congressman and his staff to discuss OCTA board adopted Surface Transportation Reauthorization principles. We also discussed Community Project Funding (CPF) requests for Fiscal Year 2026 (FY26) as well as strategic investment in transportation infrastructure for the 2028 Olympic and Paralympic Games.

Congressman David Min (D-CA) – We facilitated a meeting with Congressman Min and his staff to discuss the Surface Transportation Reauthorization, to include board adopted principles as well as the need for emergency permitting for the LOSSAN corridor.

Congressman Lou Correa (D-CA) – We facilitated a meeting with Congressman Correa and his legislative director to discuss the Surface Transportation Reauthorization to include board-adopted principles as well as the update that OCTA has officially submitted an Emergency Coastal Development Permit (ECDP) application to the California Coastal Commission to expedite critical rail stabilization work in San Clemente. OCTA CEO also provided an update on the OC Streetcar. In a separate meeting, we also followed up on the FY26 CPF request for OCTA.

Office of Senator Adam Schiff (D-CA) – We met with the Senator's transportation staffer to discuss the next Surface Transportation Reauthorization as well OCTA board adopted principles. OCTA CEO provided an overview of the work along the LOSSAN corridor as well as other ongoing projects in the County.

Office of Senator Alex Padilla (D-CA) – We met with the Senator's transportation staffer to discuss the next Surface Transportation Reauthorization as well as OCTA board-adopted principles. OCTA CEO provided an overview of the work along the LOSSAN corridor as well as an update that OCTA has officially submitted an ECDP application to the California Coastal Commission to expedite critical rail stabilization work in San Clemente for the four reinforcement areas as part of the CRSPP. The Senator's staff shared in the meeting that US Department of Transportation (USDOT) Secretary Duffy may be visiting Southern California in the coming weeks, and the Senator's staff have suggested to USDOT staff that the Secretary tour the LOSSAN corridor. In a separate meeting earlier this month, we met with the staff to discuss FY 26 Congressional Directed Spending Requests (CDS) for FY 26, which we submitted for OCTA.

House Transportation and Infrastructure (T&I), Rail Subcommittee Majority Staff – We met with the House Committee staff and provided an overview of the LOSSAN corridor and ongoing repair work. We also discussed possible timeline for developing the Rail title for the Surface Transportation Reauthorization to include potential federal funding to support passenger rail in key rail corridors.

FY26 Appropriations Update

At the end of the month Chairman Tom Cole (R-OK) of the House Appropriations Committee told members that the House will officially begin the FY26 appropriations process. He also told his committee members that on Monday, April 14, Members may begin submitting

programmatic and language requests and Community Project Funding requests for the upcoming year. Starting next week, the Chairman of each subcommittee will begin releasing guidance for each bill. As a result of the short timeline to draft bills in time for floor consideration, the Committee is maintaining similar eligible program accounts for FY26 Community Project Funding. Additionally, due to the high demand and limited ability to fund all eligible requests, the limit of 15 projects per Member will be continued.

- Chairman Cole's dear colleague is available <u>here</u>.
- Programmatic and language request guidance is available here.
- Community Project Funding request guidance is available here.

Members may submit a request to fund a specific program or activity in the bill at a specified level. Members may also submit a request to include specific bill or report language that does not direct funding to a particular entity but encourages, urges, or directs some type of action. Finally, Members may submit a request to fund specific projects in their communities, so long as the projects have a federal nexus and meet other requirements established by federal law, House Rules, and the Committee to ensure only high-quality projects are requested and funded. We are currently meeting with all the Orange County delegation and submitting project requests for each office. All CPF projects that were included in House Reports for Fiscal Year 2025 (FY25) are eligible in FY26 but must be resubmitted.

DEADLINES FOR MEMBERS OF CONGRESS:

Transportation and Housing and Urban Development

- Programmatic and Language Request Guidance (link forthcoming)
 - Submission Deadline: Friday, May 23, 2025, at 6:00 p.m.
- Community Project Funding Request Guidance (link forthcoming)
 - o Submission Deadline: Friday, May 23, 2025, at 6:00 p.m.

(Note: Members must then post CPF requests to their websites by Friday, June 13, 2025, to comply with House rules.)

Budget Reconciliation Update for March

Speaker Mike Johnson (R-LA) and Senate Majority Leader John Thune (R-SD) met several times in March to discuss how to move forward on a budget reconciliation package encompassing the key components of President Trump's border, defense, energy, and tax bill proposals. The two leaders are working to reach a compromise between the respective House and Senate budget resolutions passed earlier this month. Senate Republicans are currently working to get a formal decision from the Senate parliamentarian on whether certain proposals may be prevented from being included as part of the reconciliation approach. The Senate parliamentarian will decide to what extent the Republicans can extend President Trump's 2017 tax cuts, and whether other measures are "in order" and can be incorporated for reconciliation purposes. Upon receiving the Senate parliamentarian's determinations, Majority Leader Thune stated that he would schedule a "vote-a-rama" on a

budget resolution in April, although he acknowledged that timeline could slip by another week.

Following passage by both chambers of a budget resolution, the Committees of jurisdiction would be tasked with drafting the specific legislative language as directed by the resolution. As we have previously reported, whether through a single House reconciliation bill or two separate Senate bills, the overarching goals of the White House and Congressional GOP Leadership are to enact more spending on defense and border security, support additional oil and gas energy development, and extend the 2017 Jobs and Tax Cut Act, along with eliminating tax on overtime and tips, while looking for offsets and "pay-fors," while also seeking to raise the debt ceiling. Of note, the need for Congress to address the debt ceiling in the coming months (either through reconciliation or as a standalone process) became even more apparent when the Congressional Budget Office (CBO) recently estimated that the U.S. is set to default on its debt in August or September unless Congress passes legislation to increase the debt ceiling.

Federal Emergency Management Agency (FEMA) INDEPENDENCE ACT OF 2025

In March, Congressman Jared Moskowitz (D-FL) (having previously served as the Director of the Florida Division of Emergency Management) and Congressman Byron Donalds (R-FL) introduced H.R. 2308 - The FEMA Independence Act of 2025. This bipartisan bill would move FEMA out of the Department of Homeland Security and establish FEMA as an independent Cabinet-level agency that reports directly to the President. The bill would require FEMA to be led by a Senate-confirmed director who must have demonstrated ability and knowledge of emergency management and homeland security, including no less than five years of executive leadership and management in the public and private sectors. Also, as a cabinet-level agency, it would have up to four deputy directors, along with ten regional directors selected by the FEMA Director. Overall, this legislation seeks to reform FEMA, rather than reduce it, by streamlining FEMA's emergency response functions, reducing bureaucratic delays, and refocusing the agency on its core mission of responding before, during, and after disaster events. The legislation comes as President Trump has expressed a desire to reduce FEMA and redirect more of its functions to the responsibilities of the States, and his Administration has launched a FEMA Review Council that will have its first meeting on April 24th. The bill has been referred to both the House Committee on Transportation and Infrastructure as well as the House Committee on Homeland Security and awaits further consideration.

Amtrak CEO Resigns

On March 16th, Amtrak President and CEO Stephen Gardner resigned his post amid criticism from the White House and calls for the full privatization of Amtrak. Transportation Secretary Sean Duffy had previously said in a statement that Amtrak needs to address safety concerns at Washington's Union Station. "It's time for Amtrak leadership to clean up Union Station," he said. "It's time to rid our nation's treasures of homelessness and crime. Commuters and travelers need to feel safe in our capital." The House Transportation and Infrastructure Committee plans this year to continue the debate and discussion surrounding

the future of Amtrak and incorporate new policy in the Surface Transportation Reauthorization.

President Trump Pulls Rep. Stefanik (R-NY) Nomination to be UN Ambassador

At the end of March, President Donald Trump announced he would withdraw the nomination of New York Rep. Elise Stefanik to be U.S. ambassador to the United Nations, citing a need for Republicans to keep the Congresswoman's seat amid narrow margins in the House. "With a very tight Majority, I don't want to take a chance on anyone else running for Elise's seat," President Trump posted on his Truth Social platform. House Republicans, who hold only a thin majority in the chamber, face increased vulnerability just two months into President Trump's second term as they try to get a budget reconciliation bill through to enact the President's agenda.

<u>USDOT Works to Expediate 2024 Discretionary Grant Agreements</u>

At the end of March, the USDOT began expediting grant agreements that align with President Trump's Executive Orders (EO's). USDOT Secretary Duffy has directed staff to obligate as many new grant agreements as possible and allows changes to grant summaries and/or applications for previously awarded funds to help conform those agreements to the current President Trump EOs. Secretary Duffy reiterated his commitment to expediting transportation funding during a Senate Environmental and Public Works Committee meeting on the upcoming Surface Transportation Reauthorization Act.

Republican Senators Introduce Bills that Would Restrict President Trump's Tariff Authority

Senate Republicans are growing concerned with President Donald Trump's approach to broad-spanning global tariffs. Just one day after President Trump's announcement of sweeping new tariffs, Republican senators released a pair of bills that would restrict President Trump's trade powers. Senators Grassley (R-IA) and Maria Cantwell released draft text that would restrict presidential trade powers, in part by requiring congressional approval of tariffs within 60 days. Similarly Senator Rand Paul (R-KY) introduced a bill to require congressional approval for the implementation of any tariffs. Paul was one of four Republican senators to vote with Democrats on Wednesday to pass a measure (SJ Res 37) that would roll back recent Canadian tariffs.





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board will Will

Subject: Agreement for Replacement of Mechanical Units at the Santa

Ana Bus Base

Transit Committee Meeting of April 10, 2025

Present: Directors Amezcua, Jung, Leon, Janet Nguyen, Tam T. Nguyen,

and Sarmiento

Absent: Director Klopfenstein

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Find ACCO Engineered Systems, Inc., doing business as ACCO Engineered Systems, the apparent low bidder, as non-responsive due to failure to provide complete information on the superintendent and experience for the past three years as required by the bid documents on the Information Required of Bidder form.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2550 between the Orange County Transportation Authority and NKS Mechanical Contracting, Inc., the lowest responsive, responsible bidder, in the amount of \$4,593,000, for the replacement of mechanical units at the Santa Ana Bus Base.



April 10, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Replacement of Mechanical Units at the Santa Ana

Bus Base

Overview

Mechanical units, including heating, ventilation and air conditioning units, heating and ventilation make-up air units, exhaust fan units, and bus vacuum units at the Santa Ana Bus Base require replacement to maintain quality of the work environment, bus maintenance operations, and overall state of good repair compliance. An invitation for bids was released on November 25, 2024, for the replacement of mechanical units at the Santa Ana Bus Base. Bids were received in accordance with procurement procedures for public works projects. Board of Directors' approval is requested to execute the agreement.

Recommendations

- A. Find ACCO Engineered Systems, Inc., doing business as ACCO Engineered Systems, the apparent low bidder, as non-responsive due to failure to provide complete information on the superintendent and experience for the past three years as required by the bid documents on the Information Required of Bidder form.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2550 between the Orange County Transportation Authority and NKS Mechanical Contracting, Inc., the lowest responsive, responsible bidder, in the amount of \$4,593,000, for the replacement of mechanical units at the Santa Ana Bus Base.

Discussion

The Orange County Transportation Authority (OCTA) completed construction of the Santa Ana Bus Base in 2005. Building mechanical units, including heating, ventilation, and air conditioning units, heating and ventilation make-up air units, exhaust fan units, and bus vacuum units require replacement to maintain quality of the work environment, bus maintenance operations, and overall state of good repair compliance. This project will replace rooftop mechanical units at the operations building, maintenance building, fuel building, bus wash and detail building, including safety compliance and related work. The project will address mechanical equipment life cycle replacement and increase energy efficiency.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors' (Board)-approved procedures for public works projects. These procedures, which conform to both state and federal requirements, require that contracts be awarded to the lowest responsive, responsible bidder after a sealed bidding process.

Invitation for Bids (IFB) 4-2550 was released on November 25, 2024, through OCTA's CAMM NET system. The project was advertised on November 25, 2024 and December 2, 2024, in a newspaper of general circulation. A pre-bid conference and site visit were held on December 5, 2024, and were attended by 12 firms. Six addenda were issued to make available the pre-bid conference registration sheets, answer questions received, and handle administrative issues related to the IFB. On February 25, 2025, six bids were received and publicly opened.

All bids were reviewed by staff from OCTA's Contracts Administration and Materials Management and Facilities Engineering departments to ensure compliance with contract terms and conditions, and technical specifications. The lowest bid submitted by ACCO Engineered Systems, Inc., doing business as ACCO Engineered Systems, in the amount of \$3,899,559, was deemed non-responsive due to their failure to furnish their superintendent's past three years of experience on a required form. The list of responsive bidders and bid amounts are presented below:

Firm and Location	Bid Amount
NKS Mechanical Contracting, Inc. Anaheim, California	\$4,593,000
RAN Enterprises, Inc. Huntington Beach, California	\$4,684,000
AireMasters Air Conditioning Santa Fe Springs, California	\$4,703,000

Agreement for Replacement of Mechanical Units at the Page 3 Santa Ana Bus Base

AC Pros, Inc. \$6,280,000

Reseda, California

Golden Gate Steel, Inc., \$8,800,036

doing business as Golden Gate Construction Norwalk, California

The OCTA engineer's estimate for this project was \$7,000,000. The recommended firm's bid is 34 percent lower than the engineer's estimate. A bid analysis was completed to confirm that the bid submitted accounts for all the elements of the scope of work and technical specifications. A bid breakdown was requested from the contractor and reviewed by the project manager, and as a result, the bid amount was determined to be fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. As such, staff recommends the award to NKS Mechanical Contracting, Inc., the lowest responsive, responsible bidder, in the amount of \$4,593,000, for the replacement of mechanical units at the Santa Ana Bus Base.

Fiscal Impact

Funding for this project is included in OCTA's Fiscal Year 2024-25 Budget, Capital Programs Division, Account No. 1722-9022-D3126-Q69, and is funded through State of California SB 1 (Chapter 5, Statutes of 2017) State of Good Repair grant funds.

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2550 between the Orange County Transportation Authority and NKS Mechanical Contracting, Inc., the lowest responsive, responsible bidder, in the amount of \$4,593,000, for the replacement of mechanical units at the Santa Ana Bus Base.

Attachment

None.

Prepared by:

George Olivo, P.E. Program Manager

(714) 560-5872

Pia Veesapen

Director, Contracts Administration and Materials Management (714) 560-5619 Approved by:

James G. Beil, P.E.

Executive Director, Capital Programs

(714) 560-5646





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Approval of the Fiscal Year 2025-26 Local Transportation Fund

Claim for Public Transportation and Community Transit Services

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

- A. Approve the Orange County Transit District Fiscal Year 2025-26 Local Transportation Fund Claim for public transportation services in the amount of \$208,460,790, and for community transit services in the amount of \$11,050,352 for a total claim amount of \$219,511,142.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Approval of the Fiscal Year 2025-26 Local Transportation Fund

Claim for Public Transportation and Community Transit Services

Overview

The Orange County Transit District is eligible to receive funding from the Local Transportation Fund for providing public transportation and community transit services throughout Orange County. To receive the funds, the Orange County Transit District must file a claim against the Local Transportation Fund with the Orange County Transportation Authority.

Recommendations

- A. Approve the Orange County Transit District Fiscal Year 2025-26 Local Transportation Fund Claim for public transportation services in the amount of \$208,460,790, and for community transit services in the amount of \$11,050,352 for a total claim amount of \$219,511,142.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

Background

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to public transit and non-transit related projects. The TDA created a Local Transportation Fund (LTF) in each county for transportation purposes specified in the TDA. Revenues are derived from one quarter cent of the current retail sales tax.

The LTF revenues are collected by the California Department of Tax and Fee Administration and returned to local jurisdictions based on the volume of sales during each month. As required by the TDA, LTF receipts are deposited with the

Orange County Treasury (Fund 182) and are administered by the Orange County Auditor-Controller (OCAC). The Orange County Transportation Authority (OCTA) is the Transportation Planning Agency (TPA) responsible for the allocation of the LTF. Upon instructions from OCTA, LTF receipts are disbursed by the OCAC among the various administrative, planning, and public transportation apportionments as specified in the TDA.

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. Section 6630 of the California Code of Regulations requires OCTD to file a claim with OCTA to receive an allocation from the LTF for providing public transportation and community transit services under Articles 4 and 4.5 of the TDA.

Discussion

On February 24, 2025, the OCTA Board of Directors (Board) approved the LTF fiscal year (FY) 2025-26 apportionments. A total of \$219,511,142 was approved for OCTD, consisting of \$208,460,790 for Article 4 public transit services and \$11,050,352 for Article 4.5 community transit services. Public transit services provide support to the public transportation system and aid to public transportation research and demonstration projects, while community transit services are services for those, such as the disabled, who cannot use conventional transit services.

On February 24, 2025, the OCTD Board also adopted a resolution authorizing the filing of the LTF claim for a total of \$219,511,142 for funding public transportation and community transit services for FY 2025-26. OCTA, as the TPA for Orange County, is authorized to approve LTF claims and make payments from the LTF to OCTD as the consolidation transportation service agency for Orange County.

Summary

OCTA's approval of the OCTD claim against the LTF in the amount of \$219,511,142, will enable the OCTD to continue providing public transportation and community transit services throughout Orange County in FY 2025-26.

Attachment

None.

Prepared by:

Sam Kaur

Department Manager Revenue and Grants Administration

(714) 560-5889

Approved by:

Andrew Oftelie Chief Financial Officer Finance and Administration

(714) 560-5649





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Independent Accountants' Report on Applying Agreed-Upon

Procedures, City of Buena Park

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Receive and file as an information item.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director,

Internal Audit Department

Subject: Independent Accountants' Report on Applying Agreed-Upon

Procedures, City of Buena Park

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Buena Park and the Orange County Transportation Authority. Based on the procedures performed, the City of Buena Park repaid misspent Local Fair Share funds, obtained an unmodified (clean) opinion on its Annual Comprehensive Financial Report for the year ended 2024, spent sufficient funds to meet required minimum maintenance of effort expenditures, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance.

Recommendation

Receive and file as an information item.

Background

On May 28, 2024, the Orange County Transportation Authority (OCTA) Board of Directors (Board) found the City of Buena Park (City) ineligible to receive or apply for Measure M2 (M2) revenues for a period of five years after agreed-upon procedures (AUP) applied by an independent accounting firm for fiscal year (FY) 2022-23, found that the City could not sufficiently support their use of \$387,576 in M2 Local Fair Share (LFS) funds.

A written settlement agreement, dated July 10, 2024, was executed between OCTA and the City that outlined requirements for the City to re-establish eligibility. Per the settlement agreement, the City was required to repay \$387,576 in misspent LFS funds, obtain an unmodified (clean) opinion on its Annual Comprehensive Financial Report (ACFR) for the year ended 2024 (FY 2023-24),

and continue to meet all M2 eligibility requirements, including meeting its annual maintenance of effort (MOE) benchmark, and ensuring any expenditures against the City's LFS fund balance comply with M2 Ordinance (Ordinance) requirements.

Crowe LLP (auditor) was engaged to apply AUP to determine the City's compliance with requirements of the settlement agreement and the Ordinance for FY 2023-24.

Discussion

Auditors confirmed misspent funds were repaid and the City's ACFR reflected an unmodified opinion. Auditors tested a sample of MOE and LFS expenditures for FY 2023-24 and found the City met the minimum MOE benchmark and LFS expenditures complied with Ordinance requirements.

The City reported total MOE expenditures of \$4,995,502, and the auditors tested \$2,535,809, about 50 percent of these. The auditors identified one MOE expenditure of \$21,450 for a water collection software application that was not allowable per the Ordinance; however, after removing the expenditure from total MOE expenditures, the City continued to meet its MOE benchmark. Auditors also identified \$607,426 in MOE indirect costs that were misreported as direct costs. Auditors tested \$868,634, or 99 percent of total LFS expenditures of \$878,509, and determined the expenditures were properly classified and in compliance with the Ordinance. The City responded that management would implement necessary adjustments to ensure the proper classification of expenditures going forward.

The detailed AUP report can be found in Attachment A.

Summary

The auditors have applied AUP related to the settlement agreement between the City and OCTA for FY 2023-24.

Attachment

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

Approved by:

Janet Sutter

Executive Director, Internal Audit

714-560-5591

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE CITY OF BUENA PARK FY24

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE CITY OF BUENA PARK FY24

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

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



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

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

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

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

The procedures and associated findings were as follows:

1. Obtain the Settlement Agreement between OCTA and the City. Identify whether misspent Local Fair Share funds were repaid to OCTA.

<u>Findings</u>: We obtained the Settlement Agreement between the City of Buena Park and Orange County Transportation Authority (OCTA) dated July 10, 2024. Within the settlement agreement the OCTA Board found Buena Park ineligible to receive or apply for Net Revenues for five years and directed staff to seek reimbursement of \$387,576. We obtained documentation of the payment remittance from the City to OCTA and found no exceptions.

2. Obtain a copy of the City's FY24 Annual Comprehensive Financial Report and determine whether it reflects an unmodified opinion per Independent Auditor's report.

<u>Findings</u>: Crowe obtained the City of Buena Park's FY24 Annual Comprehensive Financial Report (ACFR) and found that the independent auditor issued an unmodified opinion on the City's ACFR.

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

<u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund and activity number. The City recorded its MOE expenditures in its General Fund (11) and is identified by various 6-digit activity number. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$4,995,502 (see Schedule A) which exceeded the MOE benchmark requirement of \$4,778,989. We agreed the total expenditures of \$4,995,502 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 40 direct MOE expenditures totaling \$1,928,383, which represented approximately 39% of direct MOE expenditures of \$4,995,502 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified one expenditure related to a water collection software application for \$21,450, that was not properly classified as a local street and road expenditure and is not allowable per the Ordinance. As a result, this amount would be considered disallowed and removed from the total MOE expenditures. After removing the transaction from the total MOE expenditures, the City continued to meet the MOE benchmark. We also identified \$31,152 of direct charges that should have been reported as indirect costs. These charges represented various allocations for service abatements as well as vehicle and building maintenance. Upon further inspection, we identified a total of \$607,426 of these costs that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the City's Expenditure Report, we found that no indirect costs were reported on Schedule 3, Line 1. After further inspection of the direct expenditure detail from the City's general ledger in Procedure #3 and discussion with City personnel, we found that \$607,426 of indirect costs were included in total direct costs on Schedule 3, line 15 of the City's M2 Expenditure Report for the fiscal year ended June 30, 2024. These expenditures consisted of allocations for Fleet Vehicle Maintenance, Building Maintenance, and Service Abatements. We obtained the City's allocation plans for each type of expenditure, recomputed the indirect costs using the allocation methodology with no exceptions, and determined that the allocations were developed using a reasonable and appropriate methodology. As such, these costs should have been reported as indirect costs. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City tracks its LFS expenditures in its Measure M2 Fund (25). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024 was \$878,509 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven Year CIP, without exception. We selected five Measure M2 Local Fair Share direct expenditures for inspection totaling \$868,634 representing approximately 99% of total Measure M2 direct Local Fair Share expenditures of \$878,509 for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined the that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

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

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

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

Crowe LLF

Crowe LD

Costa Mesa, California April 9, 2025

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

	SCHEDULE A	
Maintenance of Effort (MOE) Expenditures: Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Construction & Right-of-Way Street Reconstruction	\$	1,164,111
Total Construction	\$	1,164,111
Maintenance		
Street Lights & Traffic Signals	\$	1,379,113
Other Street Purpose Maintenance		2,452,278
Total Maintenance	\$	3,831,390
Total MOE Expenditures	\$	4,995,502
Measure M2 Local Fair Share Expenditures (Schedule 4):		
Orangethorpe Avenue Rehabilitation, Western to Stanton	\$	180,211
Los Coyotes Pavement Rehabilitation, Beach to Country Club Dr.		30,553
Caballero Pavement Rehabilitation, Valley View to Regio		667,745
Total Measure M2 Local Fair Share Expenditures	\$	878,509
Total MOE and Measure M2 Local Fair Share Expenditures	\$	5,874,010

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



Exhibit 1

April 9, 2025

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

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

Procedure #5

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

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

Findings: We selected 40 direct MOE expenditures totaling \$1,928,383, which represented approximately 39% of direct MOE expenditures of \$4,995,502 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified one expenditure related to a water collection software application for \$21,450 that was not properly classified as a local street and road expenditure and is not allowable per the Ordinance. As a result, this amount would be considered disallowed and removed from the total MOE expenditures. After removing the transaction from the total MOE expenditures, the City continued to meet the MOE benchmark. We also identified \$31,152 of direct charges that should have been reported as indirect costs. These charges represented various allocations for service abatements as well as vehicle and building maintenance. Upon further inspection, we identified a total of \$607,426 of these costs that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the findings and will implement the necessary adjustments to the Measure M2 report to ensure proper classification of expenditures.

Procedure #6

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

<u>Findings</u>: Based upon inspection of the City's Expenditure Report, we found that no indirect costs were reported on Schedule 3, Line 1. After further inspection of the direct expenditure detail from the City's general ledger in Procedure #3 and discussion with City personnel, we found that \$607,426 of indirect costs were included in total direct costs on Schedule 3, line 15 of the City's M2 Expenditure Report for the fiscal year ended June 30, 2024. These expenditures consisted of allocations for Fleet Vehicle Maintenance, Building Maintenance, and Service Abatements. We obtained the City's allocation plans for each type of expenditure, recomputed the indirect costs using the allocation methodology with no exceptions, and determined that the allocations were developed using a reasonable and appropriate methodology. As such, these costs should have been reported as indirect costs. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the findings and will implement the necessary adjustments to the Measure M2 report to ensure proper classification of expenditures.

Aaron France, City Manager

Sung Hyun, Director of Finance

-Signed by:

Mina Mikhfaer of Public Works





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Independent Accountants' Report on Applying Agreed-Upon

Procedures, City of Orange

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

Direct staff to develop recommendations for Board of Directors' action related to the status of the City of Orange's Measure M2 eligibility.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director/

Internal Audit Department

Subject: Independent Accountant's Report on Applying Agreed-Upon

Procedures, City of Orange

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 maintenance of effort expenditures by the City of Orange for the fiscal year ended June 30, 2024. Based on the procedures performed, the City of Orange spent sufficient funds to meet the required minimum expenditures outlined in a settlement agreement between the City of Orange and the Orange County Transportation Authority.

Recommendation

Direct staff to develop recommendations for Board of Directors' action related to the status of the City of Orange's Measure M2 eligibility.

Background

On May 28, 2024, the Orange County Transportation Authority (OCTA) Board of Directors (Board) found the City of Orange (City) ineligible to receive or apply for Measure M2 (M2) revenues after agreed-upon procedures (AUP) performed for fiscal year (FY) 2022-23 found that the City had not met the minimum maintenance of effort (MOE) requirement of the M2 Ordinance (Ordinance).

A written settlement agreement, dated July 10, 2024, was executed between OCTA and the City, that outlined requirements for the City to re-establish eligibility. Among other items, the settlement agreement required the City to undergo, and pay for, an AUP review of FY 2023-24 expenditures to determine compliance with MOE requirements, including expenditures equaling the MOE minimum plus the shortfall amount identified during the FY 2022-23 AUP.

Discussion

Crowe LLP tested a sample of MOE expenditures for FY 2023-24, and found the City met the minimum MOE requirement and the shortfall amount identified in the FY 2022-23 AUP.

Per the settlement agreement, the City was required to spend \$4,624,214 in MOE, which included the minimum annual MOE plus the \$1,116,649 shortfall identified during the FY 2022-23 AUP. The City reported total MOE expenditures of \$5,538,276, and the auditors tested \$2,466,988, approximately 45 percent of those. No ineligible or questioned costs were identified.

The auditors did identify \$376,650 in indirect MOE charges that were misreported as direct, and \$912,031 in direct charges that were misreported as indirect. The City acknowledged the misclassification of these charges and agreed to implement procedures to ensure proper classification going forward.

The detailed AUP report can be found at Attachment A.

Summary

The auditors have completed agreed-upon procedures related to Measure M2 MOE expenditures by the City for FY 2023-24.

Attachment

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

Prepared by:

Janet Sutter

Executive Director, Internal Audit

714-560-5591

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE CITY OF ORANGE FY24

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE CITY OF ORANGE FY24

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

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



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

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

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

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

The procedures and associated findings were as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Crowe LLP

Crowe LD

Costa Mesa, California April 7, 2025

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

	SCH	IEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	912,031
•	•	,
Construction & Right-of-Way		
Street Reconstruction	\$	320,153
Signals, Safety Devices, & Street Lights		195,753
Storm Drains		56,498
Total Construction	\$	572,404
•• • •		
Maintenance	Φ.	1 200 121
Overlay & Sealing Street Lights & Traffic Signals	\$	1,290,131 1,862,108
Other Street Purpose Maintenance		901,602
·	<u></u>	
Total Maintenance	\$	4,053,841
Total MOE Expenditures	\$	5,538,276
Measure M2 Local Fair Share Expenditures (Schedule 4):		
13115 - Pavement Management Program Survey	\$	63,147
13120 - Pavement Management Program		3,465,005
14040 - 292 N. Main Street		3,261
16302 - Minor Traffic Control Devices - Various		21,872
16304 - Biennial Traffic Signal Coordination		6,000
20329 - Chapman Batavia Left Turn Mod		159,004
20374 - Streetlight Pole Replacement Program		19,503
20443 - Orange Community Shuttle Feasibility Study		6,489
30167 - Katella Ave Street Rehabilitation		63,950
30168 - Walnut Ave Infrastructure Improvement		162.97
00000 - Other Street Purpose Maintenance		601,620
Total Measure M2 Local Fair Share Expenditures	\$	4,410,013
Total MOE and Measure M2 Local Fair Share Expenditures	\$	9,948,289

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



City of Orange

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

April 7, 2025

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

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

Procedure #4

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

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

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

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

Procedure #5

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







City of Orange

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

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

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

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

Tom Kisela, City Manager

Trang Mguyen, Finance Director

Christopher Cash, Public Works Director







April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Orange County Local Transportation Authority Measure M2

Agreed-Upon Procedures Reports, Year Ended June 30, 2024

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

- A. Direct staff to monitor implementation of corrective actions by cities.
- B. Direct staff to review with legal counsel the results of agreed-upon procedures applied to the City of Huntington Beach and develop recommendations for Board of Directors' consideration to address the exception related to disallowed Local Fair Share expenditures.
- C. Direct staff to follow up with the City of Mission Viejo to obtain a revised Measure M2 Expenditure Report, evaluate whether administrative costs related to the Senior Mobility Program exceeded the ten percent threshold, and, if applicable, recover the overage.
- D. Direct staff to consult with legal counsel, develop guidelines for allowable uses of Local Fair Share funds for "other transportation purposes" and provide communication to cities.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director

Internal Audit Department

Subject: Orange County Local Transportation Authority Measure M2

Agreed-Upon Procedures Reports, Year Ended June 30, 2024

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to nine cities and the County of Orange, and Senior Mobility Program funds provided to five cities, for the fiscal year ended June 30, 2024. Local Fair Share program reports include observations of disallowed Local Fair Share and maintenance of effort expenditures, expenditure report errors, an incomplete Capital Improvement Program report, and expenditure reports lacking project detail. Senior Mobility Program reports included observations relating to expenditure report errors, late submission of a monthly report, and overcharging for administrative costs.

Recommendations

- A. Direct staff to monitor implementation of corrective actions by cities.
- B. Direct staff to review with legal counsel the results of agreed-upon procedures applied to the City of Huntington Beach and develop recommendations for Board of Directors' consideration to address the exception related to disallowed Local Fair Share expenditures.
- C. Direct staff to follow up with the City of Mission Viejo to obtain a revised Measure M2 Expenditure Report, evaluate whether administrative costs related to the Senior Mobility Program exceeded the ten percent threshold, and, if applicable, recover the overage.

D. Direct staff to consult with legal counsel, develop guidelines for allowable uses of Local Fair Share funds for "other transportation purposes" and provide communication to cities.

Background

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee selects a sample of local jurisdictions receiving Measure M2 (M2) funding for review to determine the local jurisdictions' level of compliance with provisions of the M2 Ordinance. For the fiscal year (FY) ended June 30, 2024, the Subcommittee selected eight cities and the County of Orange for review of Local Fair Share (LFS) program funding and five cities for review of Senior Mobility Program (SMP) funding. The agreed-upon procedures (AUP) applied for these reviews were originally approved by the Subcommittee.

The LFS program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS program is intended to augment, not replace, existing transportation investments, each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to a defined maintenance of effort (MOE) requirement. MOE expenditures are required to conform to State Controller's Office Gas Tax guidelines. Cities are required to submit copies of their Seven-Year Capital Improvement Plan, reflecting projects that will be funded with LFS.

The SMP is a formula-based allocation provided to eligible, participating jurisdictions for local community transportation services that best meet the needs of their senior communities. M2 revenues provide 80 percent of the program cost, and participating local jurisdictions provide a 20 percent match. Seniors must be age 60 or older to be eligible to participate in the program. A cooperative agreement, along with a written service plan, is executed between the local jurisdiction and the Orange County Local Transportation Authority (OCLTA) to outline requirements of the program and to describe services to be provided. Cities are required to submit monthly SMP activity reports within 30 days of month end.

All M2 revenues, interest earned on net revenues, expenditures, and expenditures of earned interest are required to be reflected on an annual expenditure report. The expenditure report requires certification by the respective city's finance director and must be adopted by the city council and filed with OCLTA, within six months of FY end.

Discussion

Crowe LLP (auditors) conducted interviews of city finance and program-related staff, and applied the AUPs, including testing of expenditures for compliance with program requirements, review of indirect costs for adequate support and reasonableness, testing to ensure allocation of interest, and testing of annual expenditure reports for accuracy.

Agreed-Upon Procedures: LFS Program Funds

The auditors examined the cities of Garden Grove, Huntington Beach, La Habra, Laguna Hills, Mission Viejo, San Clemente, Seal Beach, Westminster, and the County of Orange. No exceptions resulted from the AUPs applied to La Habra, Laguna Hills, and the County of Orange.

The auditors identified one or more reporting errors on the expenditure reports submitted by six cities.

The auditors identified unallowable charges to the MOE at one city, and two cities lacked adequate documentation to support indirect costs allocated to MOE. Without sufficient documentation of a reasonable methodology used to support the indirect charges, the auditors were unable to determine that the allocation of these costs was fair and equitable, as required. After removing these costs from the cities' MOE, the cities continued to meet the minimum MOE requirement.

The auditors noted that the expenditure reports submitted by two cities included generic project titles that could not be readily traced to projects listed in their Capital Improvement Program (CIP) reports. The Ordinance requires the CIP report to include all projects funded by M2. In addition, the auditors identified LFS expenditures by one city for a project not listed in their CIP report.

The auditors identified \$29,249 in LFS expenditures by the City of Huntington Beach (Huntington Beach) that were not allowable per the Ordinance. Huntington Beach acknowledged the error and indicated that the amount would be refunded.

Use of LFS funds as a Match to Project V Grants

In the report for the City of Mission Viejo (Mission Viejo), auditors identified LFS expenditures for a bus operations project in the amount of \$32,503 to fund operations of a local shuttle service that is jointly funded with the M2 Project V grant program. Mission Viejo uses LFS funds to provide the ten percent local match required under the Project V program. The Ordinance states that LFS

funds may be used for "...other transportation purposes" and the Transportation Investment Plan, incorporated into the Ordinance, includes examples of "...other transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc." While the examples provided do not include transit operations, the M2 Comprehensive Transportation Funding Program (CTFP) guidelines issued at the time of the Project V award, defines LFS revenues as "non-OCTA resources". Current CTFP guidelines do not include this reference. Internal Audit is recommending staff be directed to consult with legal counsel and develop guidelines to better define allowable uses of LFS for "other transportation purposes".

A summary of findings and city management responses can be found in Attachment A. Detailed reports, along with written management letters, can be found in Attachment B.

Agreed-Upon Procedures: SMP Funds

The auditors examined the cities of Buena Park, Laguna Niguel, Laguna Woods, Mission Viejo, and San Juan Capistrano. No exceptions resulted from the AUPs applied to the City of Laguna Niguel.

The auditors identified errors in reporting SMP expenditures in the expenditure reports submitted by two cities. The auditors also identified two cities that did not submit one of four monthly SMP reports within 30 days of month end, as required.

The auditors also identified that the City of Mission Viejo (Mission Viejo) charged \$22,114 in administrative costs, approximately 11 percent of total SMP expenditures, which exceeded the threshold of ten percent allowed under M2 Project U Senior/Disabled Program Funding Policy guidelines. Mission Viejo responded that the expenditure report submitted contained errors. Internal Audit is recommending staff be directed to follow-up with Mission Viejo to obtain a revised M2 Expenditure Report, evaluate whether administrative costs related to the SMP exceeded the ten percent threshold, and, if applicable, recover the overage.

A summary of all findings and city management responses can be found in Attachment C. Detailed reports, along with written management letters, can be found in Attachment D.

Summary

The auditors have issued results of agreed-upon procedures applied to M2 LFS and/or SMP funds provided to 12 cities and the County of Orange for the FY ended June 30, 2024.

Attachments

- A. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2024
- B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2024
- C. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2024
- D. Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2024

Approved by:

Janet Sutter

Executive Director, Internal Audit

714-560-5591

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2024

City	Result	City Management Response	
City of Garden Grove (Garden Grove)	Garden Grove reported maintenance of effort (MOE) expenditures of \$18,362,299; however, actual MOE expenditures, per the general ledger, were \$18,338,943, a variance of \$23,356.	Management acknowledges the \$23,356 variance in MOE expenditures, which resulted from an Excel formula error. This clerical error did not impact compliance with the MOE benchmark. To prevent similar issues, management will enhance its review procedures.	
	Testing identified \$11,233 in MOE expenditures that were reported as direct expenditures, rather than indirect expenditures.	Management acknowledges the charges were classified as direct MOE expenditures instead of indirect costs. Going forward, management will ensure that such charges are properly reported.	
City of Huntington Beach (Huntington Beach)	Testing identified \$4,456,129 in MOE expenditures that were reported as direct expenditures, rather than indirect expenditures.	Management will evaluate its reporting methods and adopt measures to ensure MOE expenditures are properly classified in future reports.	
	Testing identified \$78,490 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will review its financial reporting processes methodolog used to allocate MOE costs and implement procedures to ensure that expenditures are correctly classified in future reports.	
	Testing identified \$10,229,622 in indirect MOE expenditures that were not supported by a documented methodology representing a fair and reasonable allocation of costs. After these allocated charges were removed from the MOE expenditures, Huntington Beach continued to meet its MOE benchmark.		
	Huntington Beach uses generic project titles on their expenditure report, making it difficult to trace these projects to projects as listed in their Capital Improvement Program (CIP) report.	Management will undertake a comprehensive review of its financial	
	Testing identified \$29,249 in Local Fair Share (LFS) expenditures that were not properly classified or allowable per the Measure M2 (M2) Ordinance.	reporting protocols and establish enhanced internal controls to ensi- accurate classification of LFS expenditures in all subsequent finance reports. A journal entry in the amount of \$29,249 has been complet refund the erroneously charged LFS funds.	
	Testing identified \$1,466 in LFS expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will review its financial reporting processes and implemen procedures to ensure LFS expenditures are correctly classified in future reports.	
City of La Habra	None		
City of Laguna Hills	None		
City of Mission Viejo	Testing identified \$368,250 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Going forward, directly identifiable payroll and contracted services expenditures associated with Measure M2 projects will be reported as direct costs.	
	Testing identified \$31,591 in LFS expenditures that were reported as indirect expenditures, rather than direct expenditures.	Going forward, labor costs directly identifable as street and road project inspection costs will be reported as direct costs.	
City of San Clemente (San Clemente)	Testing identified \$1,313,908 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will allocate payroll charges to the appropriate direct cost line items in future expenditure reports.	
	San Clemente uses generic project titles on their expenditure report, making it difficult to trace these projects to projects as listed in their CIP report.	Public Works is updating the CIP and, going forward, will include a listin of street projects that are funded by LFS that will also be included on the expenditure report.	
	Testing identified \$20,718 in LFS expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management concurs and will allocate payroll charges to the appropriate projects as direct cost line items in future expenditure reports.	

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2024

City	Result	City Management Response
City of Seal Beach (Seal Beach)	Testing identified \$124,658 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Seal Beach met the MOE benchmark and included both direct and indirect
	Testing identified \$315 in indirect MOE expenditures for employee meals that were deemed unallowable. Testing also identified \$561,449 in indirect MOE expenditures that were not supported by a documented methodology representing a fair and reasonable allocation of costs. As such, these expenditures were removed from the MOE. After these expenditures were removed from the MOE expenditures, Seal Beach continued to meet its MOE benchmark.	costs. However, the indirect costs were allocated without a formal cost allocation plan. Seal Beach will exclude these costs until a written cost allocation plan is in place. Management will also implement procedures to properly report noted expenses going forward.
City of Westminster (Westminster)	Testing identified \$63,951 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will verify expenditures are properly classified as indirect or direct on the expenditure report in the current and future years.
	Testing identified five LFS expenditures totaling \$126,791 related to City Street Sweeping, which was not listed as a project in Westminster's CIP.	Management will update the CIP to include the Citywide Street Sweeping Project as a part of the reporting process that will be presented to the Westminster City Council in June 2025.
	Westminster reported \$81,395 in interest on its expenditure report, which did not agree to actual interest earned of \$81,401, a variance of \$6. We recomputed interest based on the interest allocation methodology without exception.	The variance of \$6 will be allocated to the M2 LFS fund in the current year.
County of Orange	None	

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2024. Please refer to the individual divider tab for our report on each Agency.

Garden Grove
Huntington Beach
La Habra
Laguna Hills
Mission Viejo
Orange County
San Clemente
Seal Beach
Westminster



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, organization key, and account code. The City records its MOE expenditures in its General Fund (111) and is identified by a 7-digit organization number, and 5-digit account number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$18,362,299 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,497,736. Actual MOE expenditures per the general ledger expenditure detail totaled \$18,338,943, a variance of \$23,356. The variance was due to an error from including two object codes twice. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 25 direct MOE expenditures totaling \$9,944,830, which represented approximately 63% of direct MOE expenditures of \$15,810,822 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Expenditures were properly classified as local street and road expenditures and were allowable per the Ordinance, except for fleet maintenance charges, totaling \$11,233, which were found to be indirect cost allocations that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$2,551,477 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$582,329 representing 23% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, IT Charges, and Administrative Charges for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City received \$10,274,936 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$4,688,816 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The LFS expenditures were tracked in the City's general ledger by fund number and organization key code. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (246) followed by 7-digit organization key code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$2,290,266, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected four direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,055,627 representing approximately 90% of total direct Measure M2 Local Fair Share expenditures of \$2,290,266 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$75,256 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

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

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

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

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

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

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

Crowe LLP

Crowe LD

Costa Mesa, California March 28, 2025

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

	SCHEDULE A	
Maintenance of Effort (MOE) Expenditures:	•	
Indirect and/ or Overhead - Schedule 3, line 1	\$	2,551,477
Construction & Right-of-Way		
Street Reconstruction	\$	11,572,961
Total Construction	\$	11,572,961
Maintenance		
Street Lights & Traffic Signals	\$	404,406
Other Street Purpose Maintenance		3,833,455
Total Maintenance	\$	4,237,861
Total MOE Expenditures	\$	18,362,299
Measure M2 Local Fair Share Expenditures (Schedule 4):		
CIP-22-STREET REHAB	\$	950
CIP-ACACIA STREET IMPROVEMENT		1,276,731
CIP-CHAP REHAB SPRINDAL WESTRN		514,900
CIP-HAZARD REHABILITATION		199,820
CIP-SLURRY SEAL PROJECTS		287,865
CIP-CHAPMAN REHAB LANDSCP MAINT		10,000
Total Measure M2 Local Fair Share Expenditures	\$	2,290,266
Total MOE and Measure M2 Local Fair Share Expenditures	\$	20,652,565

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



CITY OF GARDEN GROVE

Stephanie Klopfenstein Mayor

Joe DoVinh

Mayor Pro Tem - District 4

George S. Brietigam Council Member - District 1

Phillip Nguyen

Council Member - District 2

Cindy Ngoc Tran

Council Member - District 3

Yesenia Muñeton

Council Member - District 5

Ariana Arestegui

Council Member - District 6

March 28, 2025

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

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

Procedure #2

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

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

<u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$18,362,299 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,497,736. Actual MOE expenditures per the general ledger expenditure detail totaled \$18,338,943, a variance of \$23,356. The variance was due to an error from including two object codes twice. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the \$23,356 variance in MOE expenditures, which resulted from an Excel formula error. This clerical error did not impact compliance with the MOE benchmark. To prevent similar issues, the City will enhance its review procedures.

Procedure #3

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

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

<u>Findings:</u> We selected 25 direct MOE expenditures totaling \$9,944,830, which represented approximately 63% of direct MOE expenditures of \$15,810,822 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Expenditures were properly classified as local street and road expenditures and were allowable per the Ordinance, except for fleet maintenance charges, totaling \$11,233, which were found to be indirect cost allocations that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges that the fleet maintenance charges totaling \$11,233 were classified as direct MOE expenditures instead of indirect costs. Going forward, the City will ensure that such charges are properly reported as indirect costs to align with the Ordinance.

City Manager

Finance Director

Public Works Director

WEM



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, object, and business unit number. The City recorded its MOE expenditures in its General Fund (100) and Capital Projects Fund (314). Expenditures are identified by a 5-digit object number and a 5-digit business unit number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Crowe LLP

Crowe LDP

Costa Mesa, California April 9, 2025

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

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

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

Robell Tollez

Robert Torrez | Interim Chief Financial Officer

April 9, 2025

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

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

Procedure #3

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

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

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

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

Procedure #4

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

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

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

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

Procedure #7

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

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

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

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

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

Procedure #8

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

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

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

Travis Hopkins, City Manager

Robert Torrez, Chief Financial Officer

Chau Vu, Director of Public Works



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, organization, and account number. The City recorded its MOE expenditures in its General Fund (113) and identified MOE expenditures by a 6-digit organization and 4-digit account number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$1,993,026 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,983,997. We agreed the total expenditures of \$1,993,026 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 25 direct MOE expenditures totaling \$592,069, which represented approximately 30% of direct MOE expenditures of \$1,993,026 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City received \$3,512,283 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$3,599,717 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (138). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$70,371 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

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

<u>Findings</u>: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected four direct Measure M2 Local Fair Share expenditures for inspection totaling \$59,848 representing approximately 85% of total direct Measure M2 Local Fair Share expenditures of \$70,371 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$111,764 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

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

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California March 24, 2025

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

	SCH	HEDULE A
Maintenance of Effort (MOE) Expenditures: Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Construction & Right-of-Way		
Signals, Safety Devices, & Street Lights	\$	130,781
Total Construction	\$	130,781
Maintenance		
Street Lights & Traffic Signals	\$	1,138,065
Storm Damage		79,913
Other Street Purpose Maintenance		644,267
Total Maintenance	\$	1,862,245
Total MOE Expenditures	\$	1,993,026
Measure M2 Local Fair Share Expenditures (Schedule 4):		
Residential Rehabilitation Slurry Seal	\$	62,871
Alley Area 6 Improvement Project		7,500
Total Measure M2 Local Fair Share Expenditures	\$	70,371
Total MOE and Measure M2 Local Fair Share Expenditures	\$	2,063,397

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



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, department, and account code. The City recorded its MOE expenditures in its General Fund (100) and identified MOE expenditures by a 3-digit department and a 6-digit expenditure number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$1,112,912 (see Schedule A), which exceeded the MOE benchmark requirement of \$355,486. We agreed the total expenditures of \$1,112,912 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 25 direct MOE expenditures totaling \$521,317, which represented approximately 47% of direct MOE expenditures of \$1,112,912 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City received \$2,296,143 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$238,667 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City tracks its LFS expenditures in its Measure M2 Fund (212). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$708,079 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

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

<u>Findings</u>: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 16 direct Measure M2 Local Fair Share expenditures for inspection totaling \$532,195 representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of \$708,079 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based on the Expenditure Report (Schedule 2, line 4), the City reported \$0 in interest for the Measure M2 Local Fair Share Fund. Per discussion with the City's accounting personnel and through inspection of the general ledger, no interest was identified for the fiscal year ended June 30, 2024. The City's interest allocation methodology is to calculate the average monthly cash balance to determine if interest should be allocated to the fund. The City had a monthly negative cash balance for the entire fiscal year, thus no interest was allocated to the Measure M2 Local Fair Share Fund. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: No exceptions were noted as a result of this procedure.

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California March 24, 2025

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

	SCH	IEDULE A
Maintenance of Effort (MOE) Expenditures: Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Maintenance		
Street Lights & Traffic Signals	\$	859,219
Other Street Purpose Maintenance		253,693
Total Maintenance	\$	1,112,912
Total MOE Expenditures	\$	1,112,912
Measure M2 Local Fair Share Expenditures (Schedule 4):		
General Street Maintenance FY 23-24 (CP-11714)	\$	708,079
Total Measure M2 Local Fair Share Expenditures	\$	708,079
Total MOE and Measure M2 Local Fair Share Expenditures	\$	1,820,991

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



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, department, account, and project code. The City recorded its MOE expenditures in its General Fund (101) followed by a 3-digit department code, 4-digit account code and 5-digit project code. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$5,218,027 (see Schedule A), which exceeded the MOE benchmark requirement of \$3,150,525. We agreed the total expenditures of \$5,218,027 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 26 direct MOE expenditures totaling \$1,318,117, which represented approximately 31% of direct MOE expenditures of \$4,230,992 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$987,035 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$368,250 of indirect costs that should have been reported as direct costs. These charges included payroll and contracted professional services that were being charged 100% to MOE and were deemed allowable costs. We selected 25 charges for inspection with a total amount of \$161,583 representing 26% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City received \$6,169,211 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$2,003,203 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City tracks its LFS expenditures in its Measure M2 Sales Tax Apportion Fund (267). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$3,633,194, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. The City reported LFS expenditures for a Bus Operations Project in the amount of \$32,503 to fund operations of a local shuttle service. The local shuttle service is also funded under the Measure M Project V grant program and the City uses LFS to provide the local match. Ordinance language states that LFS funding may be used for "...other transportation purposes" and the Transportation Investment Plan, incorporated into the Ordinance, includes examples of "...other transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc." The City provided Measure M Comprehensive Transportation Funding Program Guidelines, issued in 2016 (at the time of their Project V award) that require cities to provide funding matches using "non-OCTA resources" and define LFS revenues as "non-OCTA resources". We selected 10 direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,682,292 representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of \$3,591,328 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$41,866 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$31,591, representing 75% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. After further inspection, we determined that these LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$121,939 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

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

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California April 11, 2025

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

	SCH	IEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	987,036
Construction & Right-of-Way		
Street Reconstruction	\$	393,925
Total Construction	\$	393,925
Maintenance		
Patching	\$	1,707,654
Street Lights & Traffic Signals	\$	1,502,679
Other Street Purpose Maintenance		626,733
Total Maintenance	\$	3,837,066
Total MOE Expenditures	\$	5,218,027
Measure M2 Local Fair Share Expenditures (Schedule 4):		
La Paz Bridge Widening (01756) Street Reconstruction	\$	1,595,371
Los Alisos Traffic Signal Synchronization Project (19240) Administration		246
North Oso Creek Bike/Ped Open Space (22333) Pedestrian Ways & Bikepaths		3,250
Olympiad Road Pedestrian Crossing (24259) Pedestrian Ways & Bikepaths		43,945
Arterial highway Resurfacing & Slurry (24837) Administration		2,036
Arterial highway Resurfacing & Slurry (24837) Maintenance - Overlay & Sealing		50,313
Residential Resurfacing (24838) Administration		39,585
Residential Resurfacing (24838) Maintenance - Overlay & Sealing		1,865,946
525267-7650 Bus Operations Other Street Purposes- Other		32,503
Total Measure M2 Local Fair Share Expenditures	\$	3,633,194
Total MOE and Measure M2 Local Fair Share Expenditures	\$	8,851,221

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



City of Mission Viejo

Administrative Services Department

Bob Ruesch *Mayor*

Wendy Bucknum Mayor Pro Tem

Brian GoodellCouncil Member

Trish Kelley
Council Member

Cynthia Vasquez
Council Member

April 11, 2025

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

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

Procedure #4

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$987,035 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$368,250 of indirect costs that should have been reported as direct costs. These charges included payroll and contracted professional services that were being charged 100% to MOE and were deemed allowable costs. We selected 25 charges for inspection with a total amount of \$161,583 representing 26% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

<u>City's Response</u>:

Exception noted. Going forward directly identifiable payroll and contracted services expenditures associated with Measure M2 projects will be reported as direct costs.



City of Mission Viejo

Administrative Services Department

Bob Ruesch *Mayor*

Wendy Bucknum Mayor Pro Tem

Brian GoodellCouncil Member

Trish Kelley
Council Member

Cynthia Vasquez
Council Member

Procedure #8

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

<u>Findings:</u> Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$41,866 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$31,591, representing 75% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. After further inspection, we determined that these LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

<u>City's Response</u>:

Exception noted. Going forward labor costs directly identifiable as street and road project inspections costs will be reported as direct costs.

4/11/2025 -5506090EC4954C1...

Elaine Lister, City Manager

-signed by:
Ellis Chang
4/11/2025

Ellis Chang, Director of Administrative Services

Marck Chagnon 4/11/2025

Mark Chagnon, Director of Public Works



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.
- Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether
 the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility
 Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the
 Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

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

<u>Findings</u>: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

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

<u>Findings</u>: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

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

<u>Findings</u>: The County received \$17,187,598 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$0 from the general ledger detail to the County's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The County tracks its LFS expenditures in its Measure M2 Fair Share Fund (115) by using a 4-digit object code and various job codes specific to Local Fair Share projects. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$5,665,401 (see Schedule A), which agreed to the County's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

<u>Findings</u>: We compared the projects listed on the County's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,657,015 representing approximately 29% of total direct Measure M2 Local Fair Share expenditures of \$5,665,401 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the County's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the County's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$0 listed on the County's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California March 28, 2025

COUNTY OF ORANGE, CALIFORNIA SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES Year ended June 30, 2024

(Unaudited)

	SCH	EDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Construction & Right-of-Way		
	\$	
Total Construction	\$	
Maintenance		
Manitenance	\$	_
Total Maintenance	\$	
Total maintenance		
Total MOE Expenditures	\$	-
Measure M2 Local Fair Share Expenditures (Schedule 4):		
Mitigation - Long Term Maintenance Of Road Project Mitigation	\$	569,542
Midway City-Map Page 828		114,061
St.Sweeping Dist. 1-Unincorp.		7,421
Rossmoor-Map Page 796		308,758
Stanton-Map Page 797		24,885
St. Sweeping Dist. 2-Unincorp.		110,533
General Maintenance Dist 3		1,161,794
Brea-Map Pages 709, 739		1,459
Yorba Linda-Map Pages 739, 740		30,891
Orange Pk Acres-Map Pg 770,800		64,944
Cowan Hts/Lemon Hts-Map Pg 800		351,221
Lemon Hts/Red Hill-Map Pg 830		197,982
North Tustin-Map Page 800		942,209
St.Sweeping Dist. 3-Unincorp		347,977
El Modena Tbmp 800		17,370
Orange-Olive Tbmp 769		10,998
Anaheim-Map Pages 768,769,798		79,641
Placentia-Map Page 739		1,047
St.Sweeping Dist. 4-Unincorp.		66,259
La Habra Tbmp 708, 738		1,441
General Maintenance District 5		757,144
Costa Mesa-Ma Pages 859, 889		3,740
Rancho Mission Viejo - County Area		125,435
Avenida La Pata Water Quality Basin 2		16,645
Avenida La Pata Water Quality Basin 3		16,645
Avenida La Pata Water Quality Basin 4		16,645
Avenida La Pata Water Quality Basin 5		16,645
Avenida La Pata Water Quality Basin 6		16,645
St. Sweeping Dist. 5-Unincorp.		236,521
Alton Parkway Wildlife Corridor Maint./Transfer		48,903
Total Measure M2 Local Fair Share Expenditures	\$	5,665,401
Total MOE and Measure M2 Local Fair Share Expenditures	\$	5,665,401

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



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, project, and account number. The City recorded its MOE expenditures in its General Fund (001) and is identified by a 3-digit program and a 5-digit expenditure number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$4,927,490 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,471,176. We agreed the total expenditures of \$4,927,490 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

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

<u>Findings</u>: We selected 25 direct MOE expenditures totaling \$1,135,038 which represented approximately 30% of direct MOE expenditures of \$3,786,293 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$1,141,197 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$312,148 representing 27% of the total MOE indirect costs. Through our testing, we identified 16 payroll related charges totaling \$204,810 that should have been identified as direct costs as they were charged 100% to MOE projects and allowable per the Ordinance. After further inspection, the total payroll charges included as indirect costs that should have been reported as direct was \$1,313,908. The remaining indirect expenditures included Public Works Admin of \$206,924 and offsetting Chargeback recovery costs totaling (\$372,134). These expenditures utilized various percentage-based allocations that were backed by appropriate documentation. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City received \$3,987,063 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$643,953 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The LFS expenditures were tracked in the City's general ledger by fund, project, and expenditure account number. The City recorded its LFS expenditures in its Street Improvement Fund (042) which is identified by a 3-digit project and a 5-digit account number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$1,569,823, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure

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

<u>Findings</u>: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had reported generic projects such as "Street Improvement Projects" and "As Needed Repairs" which included various other projects. As such we were unable to trace the exact projects back to the City's Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,280,703 representing approximately 82% of total direct Measure M2 Local Fair Share expenditures of \$1,549,105 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were properly classified as Measure M2 Local Fair Share projects. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), the City reported \$20,718 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$20,592 representing 99% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$10,738 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

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

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

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California April 9, 2025

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

	SCF	IEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	1,141,197
Construction & Right-of-Way		
Street Reconstruction	\$	500,000
Total Construction	\$	500,000
Maintenance		
Patching	\$	317,669
Overlay & Sealing		628,444
Street Lights & Traffic Signals		2,340,180
Total Maintenance	\$	3,286,293
Total MOE Expenditures	\$	4,927,490
Measure M2 Local Fair Share Expenditures (Schedule 4):		
Del Mar Street Rehabilitation	\$	103,159
FY 2022 Street Improvement Projects - Various Streets		222,039
FY 2023 Street Improvement Projects - Various Streets		137
As Needed Repairs FY 2023		438,546
As Needed Repairs FY 2024		210,545
FY 2024 Street Improvement Projects - Various Streets		595,397
Total Measure M2 Local Fair Share Expenditures	\$	1,569,823
Total MOE and Measure M2 Local Fair Share Expenditures	\$	6,497,313

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



April 9, 2025

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

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

Procedure #4

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$1,141,197 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$312,148 representing 27% of the total MOE indirect costs. Through our testing, we identified 16 payroll related charges totaling \$204,810 that should have been identified as direct costs as they were charged 100% to MOE projects and allowable per the Ordinance. After further inspection, the total payroll charges included as indirect costs that should have been reported as direct was \$1,313,908. The remaining indirect expenditures included Public Works Admin of \$206,924 and offsetting Chargeback recovery costs totaling (\$372,134). These expenditures utilized various percentage-based allocations that were backed by appropriate documentation. No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with this finding and will allocate payroll charges to the appropriate direct cost line items on future expenditure reports for Measure M2.

Procedure #7

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

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

<u>Findings</u>: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had reported generic projects such as "Street Improvement Projects" and "As Needed Repairs" which included various other projects. As such we were unable to trace the exact projects back to the City's Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,280,703 representing approximately 82% of total direct Measure M2 Local Fair Share expenditures of \$1,549,105 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were properly classified as Measure M2 Local Fair Share projects. No other exceptions were found as a result of this procedure.

City's Response:

The City Public Works department is working on updating the City's Seven-Year CIP and going forward will include a listing of street projects that are funded by Measure M2 Local Fair Share funding that will also be included on the Measure M2 Expenditure Reporting.

Procedure #8

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), the City reported \$20,718 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$20,592 representing 99% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with this finding and will allocate payroll charges to the appropriate projects as a direct cost line item on future expenditure reporting for Measure M2.

Andy Hall Andy Hall (Apr 9, 2025 13:16 PDT)	04/09/2025
Andy Hall, City Manager	Date
Brian Brower	04/09/2025
Brian Brower, Financial Services Direct	tor Date
Dave Rebensdorf Dave Rebensdorf (Apr 9, 2025 12:09 PDT)	04/09/2025
Dave Rebensdorf, Public Works Director	or Date



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, department, object, and account number. The City records its MOE expenditures in its General Fund (101) and is identified by a 3-digit department number followed by various 4-digit object number and 5-digit account number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$1,709,456 (see Schedule A), which exceeded the MOE benchmark requirement of \$733,847. We agreed the total expenditures of \$1,709,456 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 25 direct MOE expenditures totaling \$444,598, which represented approximately 48% of direct MOE expenditures of \$919,999 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and is allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We agreed the total indirect expenditures of \$789,457 to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 27 indirect MOE charges for inspection totaling \$269,322, which represented 34% of the total indirect MOE costs of \$789,457. Out of our testing selections, we identified \$124,658 in street sweeping and utility expenditures that should have been classified as direct MOE costs and were allowable per the Ordinance. We also identified two expenditures totaling \$315 for meals provided to employees that are not allowable. Finally, we requested the City to provide a documented methodology used to allocate payroll and benefits charges of \$144,664 and the City was unable to provide such documentation. As such, we lacked the information necessary to confirm these costs as fair and reasonable and the entirety of these allocated costs were removed from the MOE totaling \$561,449. After removing unsupported indirect cost allocations and the meals, the City still met the MOE benchmark requirement. No other exceptions were noted as a result of this procedure.

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

<u>Findings</u>: The City received \$1,630,791 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$1,397,637 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: The LFS expenditures were tracked in the City's general ledger by fund 211. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$961,055 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without exception. We selected 10 direct Measure M2 Local Fair Share expenditures for inspection totaling \$822,565 representing approximately 86% of total direct Measure M2 Local Fair Share expenditures of \$961,055 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$33,207 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

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

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

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

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

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

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

Crowe LLP

Crowe LD

Costa Mesa, California April 7, 2025

CITY OF SEAL BEACH, CALIFORNIA SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES Year ended June 30, 2024

(Unaudited)

	SCI	HEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	789,457
Construction & Right-of-Way		
Signals, Safety Devices, & Street Lights	\$	217
Pedestrian Ways & Bikepaths		142,624
Total Construction	\$	142,841
Maintenance		
Street Lights & Traffic Signals	\$	111,793
Storm Damage		17,600
Other Street Purpose Maintenance		647,765
Total Maintenance	\$	777,158
Total MOE Expenditures	\$	1,709,456
Measure M2 Local Fair Share Expenditures (Schedule 4):		
O-ST-6 CitywideTraffic Signal Improvement Project	\$	200,742
O-ST-4 Annual ADA Improvements Project		56,748
ST1811 Lampson Bike Trail Project		452,835
STO1 Annual Slurry Seal Project		250,730
Total Measure M2 Local Fair Share Expenditures	\$	961,055
Total MOE and Measure M2 Local Fair Share Expenditures	\$	2,670,511

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

City of Seal Beach



April 7, 2025 Exhibit 1

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

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

Procedure #4

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

<u>Findings</u>: We agreed the total indirect expenditures of \$789,457 to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 27 indirect MOE charges for inspection totaling \$269,322, which represented 34% of the total indirect MOE costs of \$789,457. Out of our testing selections, we identified \$124,658 in street sweeping and utility expenditures that should have been classified as direct MOE costs and were allowable per the Ordinance. We also identified two expenditures totaling \$315 for meals provided to employees that are not allowable. Finally, we requested the City to provide a documented methodology used to allocate payroll and benefits charges of \$144,664 and the City was unable to provide such documentation. As such, we lacked the information necessary to confirm these costs as fair and reasonable and the entirety of these allocated costs were removed from the MOE totaling \$561,449. After removing unsupported indirect cost allocations and the meals, the City still met the MOE benchmark requirement. No other exceptions were noted as a result of this procedure.

City's Response:

The City met the MOE benchmark and included both direct and indirect costs. However, the indirect costs were allocated without a formal cost allocation plan. The City will exclude these costs until a written cost allocation plan is in place. Seal Beach will also implement procedures to properly report noted expenses going forward.

Name and Title of Responsible Party

Name and Title of Responsible Party

Name and Title of Responsible Party



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

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

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

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

The procedures and associated findings were as follows:

- 1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.
 - <u>Findings</u>: The MOE expenditures were tracked in the City's general ledger by fund, organization, and object numbers. The City records its MOE expenditures in its General Fund (100) and is identified by a 5-digit organization number, and a 5-digit object number. No exceptions were found as a result of this procedure.
- 2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

<u>Findings</u>: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$2,440,055 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,894,018. We agreed the total expenditures of \$2,440,055 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 25 direct MOE expenditures totaling \$704,575, which represented approximately 35% of direct MOE expenditures of \$2,011,108 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$428,947 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$63,951 of indirect costs that should have been reported as direct costs. We selected 12 charges for inspection with a total amount of \$337,504, representing 92% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, and Public Works Administrative Charges. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: The City received \$5,736,365 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$3,642,550 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences. <u>Findings</u>: The LFS expenditures were tracked in the City's general ledger by fund, organization, and object number. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (211) and Fund (405) with a 5-digit organization number following by a 5-digit object number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$1,271,853 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We selected 17 direct Measure M2 Local Fair Share expenditures for inspection totaling \$971,341 representing approximately 76% of total direct Measure M2 Local Fair Share expenditures of \$1,271,853 for the Fiscal Year ended June 30, 2024. When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we traced five expenditures in the amount of \$126,791 related to the Citywide Street Sweeping project, which was not listed on the City's Seven-Year CIP. We confirmed that the project was shown in prior year's Seven-Year CIPs' but not rolled forward to the current year. No other exceptions were found as a result of this procedure.

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

<u>Findings</u>: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

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

<u>Findings</u>: We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. We recomputed the total interest for the fiscal year, which amounted to \$81,401. This amount did not agree to the amount of interest totaling \$81,395 listed on the City's Expenditure Report (Schedule 2, line 4). The difference between these two amounts, a variance of \$6, is attributed to a correcting entry posted to the wrong account. No other exceptions were found as a result of this procedure.

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

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

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

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

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

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

Crowe LLP

Crowe LIP

Costa Mesa, California March 26, 2025

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

	SCH	IEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	428,947
Construction & Right-of-Way		
Street Reconstruction	\$	49,651
Signals, Safety Devices, & Street Lights		215,693
Total Construction	\$	265,345
Maintenance		
Other Street Purpose Maintenance	\$	1,745,764
Total Maintenance	\$	1,745,764
Total MOE Expenditures	\$	2,440,055
Measure M2 Local Fair Share Expenditures (Schedule 4):		
Citywide Storm Drain Improvements	\$	265,416
Citywide Residential Overlay/Seal		35,800
Garden Grove Boulevard Improvements - Construction		536,830
Utilities - Electricity (traffic Signals)		123,964
Citywide Street Sweeping		309,843
Total Measure M2 Local Fair Share Expenditures	\$	1,271,853
Total MOE and Measure M2 Local Fair Share Expenditures	\$	3,711,909

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



8200 WESTMINSTER BOULEVARD, WESTMINSTER, CA 92683 •

(714) 898-3311

Exhibit 1

March 26, 2025

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

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

Procedure #4

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

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$428,947 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$63,951 of indirect costs that should have been reported as direct costs. We selected 12 charges for inspection with a total amount of \$337,504, representing 92% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, and Public Works Administrative Charges. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

City's Response:

We will verify expenditures are properly classified as indirect or direct on the Expenditure report in the current and future years.

Procedure #7

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

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

<u>Findings:</u> We selected 17 direct Measure M2 Local Fair Share expenditures for inspection totaling \$971,341 representing approximately 76% of total direct Measure M2 Local Fair Share expenditures of \$1,271,853 for the Fiscal Year ended June 30, 2024. When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we traced five expenditures in the amount of \$126,791 related to the Citywide Street Sweeping project, which was not listed on the City's Seven-Year CIP. We confirmed that the project was shown in prior year's Seven-Year CIPs' but not rolled forward to the current year. No other exceptions were found as a result of this procedure.

City's Response:

The City will update the Seven-Year Capital Improvement Program (CIP) to include the Citywide Street Steet Sweeping project as a part of the reporting process that will be presented to the Westminster City Council in June 2025.

Procedure #9

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

<u>Findings:</u> We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. We recomputed the total interest for the fiscal year, which amounted to \$81,401. This amount did not agree to the amount of interest totaling \$81,395 listed on the City's Expenditure Report (Schedule 2, line 4). The difference between these two amounts, a variance of \$6, is attributed to a correcting entry posted to the wrong account. No other exceptions were found as a result of this procedure.

City's Response:

The variance of \$6 will be allocated to the Measure M2 Fair Share Fund in the current year.

Erin Backs, Finance Director

Jake Ngo, Director of Public Works

Christine Cordon, City Manager

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2024

City	Result	City Management Response
City of Buena Park (Buena Park)	One of four monthly reports tested was not submitted within 30 days of month end, as required.	Buena Park acknowledges the finding and has implemented procedures to ensure timely submissions moving forward.
City of Laguna Niguel	None	
City of Laguna Woods (Laguna Woods)	Laguna Woods misreported program expenditures on its expenditure report by including both the Measure M2 (M2) funded portion and the match portion of expenditures.	Management concurs and will report only the M2 funding portion in the expenditure report for fiscal year 2025.
City of San Juan Capistrano (San Juan Capistrano)	San Juan Capistrano misreported program expenditures on its expenditure report by including both the M2 funded portion and the match portion of expenditures.	Management concurs with the finding.
City of Mission Viejo (Mission Viejo)	Mission Viejo charged a total of \$22,114, or approximately 11 percent of total expenditures, in administrative costs, which exceeded the ten percent threshold set in the M2 Project U Senior/Disabled Program Funding Policy guidelines.	Exception noted. The number reported in the M2 report was understated because agency contributions were included as contribution credits. Mission Viejo initially reported \$196,252; the correct amount should have been \$221,140. To address this issue, Mission Viejo has changed the way Cabco Yellow, Inc. (Cabco) invoices are processed. Cabco invoices will be processed using the full invoice amount, excluding contribution credits.
	One of four monthly reports tested was not submitted within 30 days of month end, as required.	Staff have been notified that monthly reports need to be submitted within 30 days of month end.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2024. Please refer to the individual divider tab for our report on each Agency.

Buena Park
Laguna Niguel
Laguna Woods
Mission Viejo
San Juan Capistrano



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

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

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

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

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

<u>Findings</u>: No exceptions were found as a result of this procedure.

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2
Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended
June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report
(Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings</u>: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, activity code, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (11), activity code (275325), and various account numbers. The City reported \$109,785 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

<u>Findings</u>: The City received \$292,211 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$39,099 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$39,099; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$88,621 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

<u>Findings</u>: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,174, which is calculated by taking the fund's ending cash balance and applying the proportionate rate of the SMP to the total fund against the total interest revenue. The City reported \$1,174 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

<u>Findings</u>: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$36,321 which was approximately 25% of the total expenditures of \$146,106 (M2 funded portion of \$109,785 and City's matching portion of \$36,321) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

- 6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$45,788 representing approximately 42% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Buena Park and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

<u>Findings</u>: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

- 9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on our inspection of the general ledger expenditure detail and through discussion with City personnel, the City did not contract with a third-party service provider for senior transportation services. No exceptions were noted as a result of our procedures.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

<u>Findings</u>: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

Reporting Month	Due Date	Date Received	Days Late
August 2023	September 30, 2023	September 13, 2023	-
December 2023	January 31, 2024	January 4, 2024	-
March 2024	April 30, 2024	May 6, 2024	6
May 2024	June 30, 2024	June 27, 2024	-

Through inspection, we determined that one out of the four reports was not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

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

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

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

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

Crowe LLP

Crowe LDP

Costa Mesa, California March 24, 2025

CITY OF BUENA PARK, CALIFORNIA SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES Year ended June 30, 2024 (Unaudited)

	SCHI	EDULE A
Measure M2 Senior Mobility Program Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Other Senior Mobility Project U		109,785
Total Measure M2 Senior Mobility Program Expenditures	\$	109,785

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



Exhibit 1

April 14, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Buena Park as of and for the fiscal year ended June 30, 2024.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

Reporting Month	<u>Due Date</u>	Date Received	<u>Days Late</u>
August 2023	September 30, 2023	September 13, 2023	-
December 2023	January 31, 2024	January 4, 2024	-
March 2024	April 30, 2024	May 6, 2024	6
May 2024	June 30, 2024	June 27, 2024	-

Through inspection, we determined that one out of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the finding and has implemented procedures to ensure timely submissions moving forward.

DocuSigned by:

A60CA453C3B349B...

Aaron France, City Manager

Signed by:

Swy Hywn

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Sung Hyun, Director of Finance

DocuSigned by:

Jim Boy

238661DCED2C427...

James Box, Director of Community Services



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

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

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

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

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings</u>: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department code, and object code. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Fund (253) using a 2-digit object code, and 4-digit account code. The City reported \$77,730 in program expenditures on the Expenditure Report

(Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

<u>Findings</u>: The City received \$314,823 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$476,799 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$476,799; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$107,401 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

<u>Findings</u>: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$18,750, which was calculated by taking the monthly unspent cash balance and dividing it by the total adjusted monthly cash balance for all funds. This percentage of allocation is then multiplied by the total amount of interest to be allocated for all funds leaving the final interest allocated to the Senior Mobility Program. The City reported \$18,750 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

<u>Findings</u>: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$20,215 which was approximately 21% of the total expenditures of \$97,945 (M2 funded portion of \$77,730 and City's matching portion of \$20,215) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We selected 14 Measure M2 Senior Mobility Program expenditures for inspection totaling \$59,438 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application. The City then verifies that the applicant is a resident of the City of Laguna Niguel and is 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City provides a unique SMP ID for each approved participant to access the SMP services. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

<u>Findings</u>: Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs totaling \$7,066, or 9% of the City's total Measure M2 Senior Mobility Program expenditures, were identified as Measure for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

- 9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inquiry of City personnel, the City contracted with Cabco Yellow Inc., dba California Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Cabco Yellow Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

<u>Findings</u>: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

Reporting Month	<u>Due Date</u>	Date Received	<u>Days Late</u>
August 2023	September 30, 2023	September 20, 2023	-
December 2023	January 31, 2024	January 26, 2024	-
March 2024	April 30, 2024	April 10, 2024	-
May 2024	June 30, 2024	June 28, 2024	-

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

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

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

Crowe LLP

Crowe LD

Costa Mesa, California March 24, 2025

CITY OF LAGUNA NIGUEL, CALIFORNIA SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES Year ended June 30, 2024 (Unaudited)

	SCHE	DULE A
Measure M2 Senior Mobility Program Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Other Senior Mobility Project U		77,730
Total Measure M2 Senior Mobility Program Expenditures	\$	77,730

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



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

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

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

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

The procedures and associated findings were as follows:

- 1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.
 - Findings: No exceptions were found as a result of this procedure.
- 2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings</u>: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, unit, and object code. The City recorded its Senior Mobility Program expenditures in its Senior Mobility Fund (410) and is identified by a 4-digit department, unit, and object code. The City reported \$377,600 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2024. However, after further inspection of the balances, we noted that the amount reported included the M2 funded portion of \$258,330 and the City's matching portion of \$119,270. The City should have only reported the M2 funded portion. No other exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

<u>Findings</u>: The City received \$365,848 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of (\$20,688). The deficit was due to the City including the City's matching portion when reporting the expenditures in the Expenditure Report. Refer to Procedure #2 for the reporting finding. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$124,808 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

<u>Findings</u>: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$13,680, which is calculated by allocating quarterly interest earned to the SMP fund based on the total percentage of cash held in the SMP fund as compared to the total City pool. The City reported \$13,680 of interest income for the year ending June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

<u>Findings</u>: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$119,270 which was approximately 32% of the total expenditures of \$377,600 (M2 funded portion of \$258,330 and City's matching portion of \$119,270) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We selected 13 Measure M2 Senior Mobility Program expenditures for inspection totaling \$258,330 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Laguna Woods and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

<u>Findings</u>: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

- 9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inquiry of City personnel, the City contracted with Cabco Yellow Inc., dba California Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Cabco Yellow Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as reguired. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

<u>Findings</u>: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

Reporting Month	<u>Due Date</u>	Date Received	<u>Days Late</u>
August 2023	September 30, 2023	September 30, 2023	-
December 2023	January 31, 2024	January 30, 2024	-
March 2024	April 30, 2024	April 29, 2024	-
May 2024	June 30, 2024	June 28, 2024	-

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California March 27, 2025

CITY OF LAGUNA WOODS, CALIFORNIA SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES Year ended June 30, 2024 (Unaudited)

	SCHI	EDULE A
Measure M2 Senior Mobility Program Expenditures: Indirect and/ or Overhead - Schedule 3, line 1 Other Senior Mobility Project U	\$	- 258,330
Total Measure M2 Senior Mobility Program Expenditures	\$	258,330

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



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March 27, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Laguna Woods as of and for the fiscal year ended June 30, 2024.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings:</u> The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, unit, and object code. The City recorded its Senior Mobility Program expenditures in its Senior Mobility Fund (410) and is identified by a 4-digit department, unit, and object code. The City reported \$377,600 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2024. However, after further inspection of the balances, we noted that the amount reported included the M2 funded portion and the City's matching portion. The actual SMP expenditures per the general ledger detail was \$377,600 (M2 funded portion of \$258,330 and the City's matching portion of \$119,270). No other exceptions were found as a result of this procedure.

<u>City's Response</u>: Management acknowledges the finding. The City will report only the M2 funding portion (net of the City's matching portion) on the next Expenditure Report for fiscal year 2025. The City will also make corrections to the beginning fund balance on the Expenditure Report for fiscal year 2025 by excluding the City's matching portion of \$119,270.

Christopher Macon

City Manager

Elizabeth Torres (Mar 27, 2025 19:00 PDT)

Elizabeth Torres

Administrative Services Director/City Treasurer



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

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

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

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

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

<u>Findings</u>: No exceptions were found as a result of this procedure.

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2
Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended
June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report
(Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings</u>: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, program, and account codes. The City recorded its Senior Mobility Program expenditures in its Senior Mobility Grant Fund (278), program code, and account code. The City reported \$196,252 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

<u>Findings</u>: The City received \$475,022 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$600,246 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$600,246; no difference was identified. We obtained Board reports for the extensions of SMP funds received in fiscal years 2021 and 2022 to five years. With these extensions, the City is compliant with timely use of funds requirements. We agreed payments received from OCLTA totaling \$149,820 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

<u>Findings</u>: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$16,704, which is calculated by taking the average daily cash balance of the fund and applying the percentage allocation interest rates relative to total cash pool. The City reported \$16,704 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired with City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services to City facilities. However, they charged \$20 for trips to/from John Wayne Airport and \$5 for all other one-way trips. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

<u>Findings</u>: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$50,070 which was approximately 20% of the total expenditures of \$246,322 (M2 funded portion of \$196,252 and City's matching portion of \$50,070) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

- 6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We selected 12 Measure M2 Senior Mobility Program expenditures for inspection totaling \$150,001 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Mission Viejo and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

<u>Findings</u>: Based on the Measure M2 Project U Senior Mobility Program Funding and Policy Guidelines, administrative cost up to 10 percent are allowed and considered eligible program expenses. However, through inspection of the City's general ledger expenditure detail, the City charged a total of \$22,114 or approximately 11% of the total expenditure population, in indirect and administrative overhead costs to the Measure M2 Senior Mobility Program. Therefore, the City exceeded the 10% threshold allowed by the Guidelines.

- 9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inquiries with City personnel, the City contracted with CABCO Yellow, Inc., and Age Well Senior Services, Inc., to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that both service providers were selected using a competitive procurement process. In addition, per inspection of the contracts, we found that both included language requiring that wheelchair accessible vehicles be made available and used as needed. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

<u>Findings</u>: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

Reporting Month	<u>Due Date</u>	Date Received	<u>Days Late</u>
August 2023	September 30, 2023	November 3, 2023	34
December 2023	January 31, 2024	January 29, 2024	-
March 2024	April 30, 2024	April 29, 2024	-
May 2024	June 30, 2024	June 24, 2024	-

Through inspection, we determined that one out of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California April 8, 2025

CITY OF MISSION VIEJO, CALIFORNIA SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES Year ended June 30, 2024 (Unaudited)

	SCHEDULE A	
Measure M2 Senior Mobility Program Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Other Senior Mobility Project U		196,252
Total Measure M2 Senior Mobility Program Expenditures	\$	196,252

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



City of Mission Viejo

Administrative Services Department

Bob Ruesch *Mayor*

Wendy Bucknum Mayor Pro Tem

Brian GoodellCouncil Member

Trish Kelley
Council Member

Cynthia Vasquez
Council Member

April 8, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed

for the Measure M2 Senior Mobility program for the City of Mission Viejo as of and for the fiscal year ended June 30, 2024.

Procedure #8

Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

<u>Findings</u>: Per discussion with the City's accounting personnel and through inspection of the general ledger expenditure detail, administrative costs totaling \$22,114, or approximately 11% of the City's total Measure M2 Senior Mobility Program expenditures, were identified for the fiscal year ended June 30, 2024. We found that the administrative costs exceeded the 10 percent threshold dictated in the Measure M2 SMP Guidelines. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. The number reported in the Measure M2 Report was understated because agency contributions were included as contribution credits. The City initially reported \$196,252, the correct amount should have been \$221,140. To address this issue the City has changed the way the CABCO invoices are processed. CABCO invoices will be processed using the full invoice amount, excluding contribution credits.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.



City of Mission Viejo

Administrative Services Department

Bob Ruesch *Mayor*

Wendy Bucknum Mayor Pro Tem

Brian GoodellCouncil Member

Trish Kelley
Council Member

Cynthia Vasquez
Council Member

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

Reporting Month	<u>Due Date</u>	Date Received	<u>Days Late</u>
August 2023	September 30, 2023	November 3, 2023	34
December 2023	January 31, 2024	January 29, 2024	-
March 2024	April 30, 2024	April 29, 2024	-
May 2024	June 30, 2024	June 24, 2024	-

Through inspection, we determined that one out of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. City staff have been notified that monthly reports need to be submitted within 30 days of month end.

7 5 10/2/

Elaine Lister, City Manager

Signed by:

Ellis Chang 4/8/2025

Ellis Chang, Director of Administrative Services

DocuSigned by:

Mark Nix

4/8/2025

4/8/2025

Mark Nix, Director of Recreation & Community Services



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF SAN JUAN CAPISTRANO

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

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

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

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings</u>: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (001), department code (73000), a 5-digit account number, and a cost center code specific to the Senior Mobility Program (0632). The City reported \$98,726 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year

2024. However, after further inspection, we noted that this amount included the M2 funded portion and the City's portion. The actual total SMP expenditures per the general ledger detail was \$98,700 (M2 funded portion of \$78,981 and the City's matching portion of \$19,745). No other exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

<u>Findings</u>: The City received \$196,139 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$79,210 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$79,210; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$66,912 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

<u>Findings</u>: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$5,841 which is calculated by taking the fund's average quarterly balance and applying the proportionate rate of the SMP to the total fund against the total interest revenue. The City reported \$5,841 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

<u>Findings</u>: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$19,745 which was approximately 20% of the total expenditures of \$98,726 (M2 funded portion of \$78,981 and City's matching portion of \$19,745) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

- 6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We selected 22 Measure M2 Senior Mobility Program expenditures for inspection totaling \$74,955 representing approximately 95% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings</u>: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of San Juan Capistrano and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

<u>Findings</u>: Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs totaling \$8,975, or approximately 9% of the City's total Measure M2 Senior Mobility Program expenditures, were identified for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

- 9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inquiry of City personnel, the City contracted with Age Well Senior Services, Inc. to provide senior transportation services under the Senior Mobility Program. From inspecting the Age Well Senior Service, Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

<u>Findings</u>: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

<u>Findings</u>: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

Reporting Month	Due Date	Date Received	<u>Days Late</u>
August 2023	September 30, 2023	September 20, 2023	-
December 2023	January 31, 2024	January 29, 2024	-
March 2024	April 30, 2024	April 24, 2024	-
May 2024	June 30, 2024	June 20, 2024	-

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

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

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

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

Crowe LLP

Crowe LLP

Costa Mesa, California March 25, 2025

CITY OF SAN JUAN CAPISTRANO, CALIFORNIA SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES Year ended June 30, 2024 (Unaudited)

	SCHEDULE A	
Measure M2 Senior Mobility Program Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	\$	-
Other Senior Mobility Project U		78,981
Total Measure M2 Senior Mobility Program Expenditures	\$	78,981

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

32400 PASEO ADELANTO SAN JUAN CAPISTRANO, CA 92675 (949) 493-1171 (949) 493-1053 FAX www.sanjuancapistrano.org



MEMBERS OF THE CITY COUNCIL

TROY BOURNE JOHN CAMPBELL SERGIO FARIAS HOWARD HART JOHN TAYLOR

March 25, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of San Juan Capistrano as of and for the fiscal year ended June 30, 2024.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

<u>Findings</u>: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (001), department code (73000), a 5-digit account number, and a cost center code specific to the Senior Mobility Program (0632). The City reported \$98,726 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2024. However, after further inspection, we noted that this amount included the M2 funded portion and the City's portion. The actual total SMP expenditures per the general ledger detail was \$98,700 (M2 funded portion of \$78,981 and the City's matching portion of \$19,745). No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with the auditor's finding.

Benjamin Slegel, City Manager

Ken Al-Imam, Chief Financial Officer





April 28, 2025

To: Members of the Board of Directors

From: Andrea West, Clerk of the Board

Subject: Orange County Local Transportation Authority Report on

Compliance with the Measure M2 Ordinance, Year Ended

June 30, 2024

Finance and Administration Committee Meeting of April 23, 2025

Present: Directors Federico, Harper, Hennessey, Leon, and Tettemer

Absent: Directors Carroll and Sarmiento

Committee Vote

This item was passed by the Members present.

Committee Recommendation(s)

A. Receive and file as an information item.

B. Approve a request from the Measure M2 Taxpayer Oversight Committee to conduct Measure M2 compliance audits on an annual basis. If approved, authorize an increase in contract budget of \$400,000 for fiscal years 2024-25 and 2025-26 under Agreement No. C-3-2931 with Crowe LLP, increasing the maximum obligation to \$2,185,500.



April 23, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director

Internal Audit Department

Subject: Orange County Local Transportation Authority Report on

Compliance with the Measure M2 Ordinance, Year Ended

June 30, 2024

Overview

Crowe LLP, an independent accounting firm, has issued results of its audit of the Orange County Local Transportation Authority's compliance with the Measure M2 Ordinance for the year ended June 30, 2024. The auditors found that the Orange County Local Transportation Authority complied, in all material respects, with the compliance requirements of the Measure M2 Ordinance for the year ended June 30, 2024. In addition, no reportable deficiencies in internal control over compliance were identified.

Recommendations

A. Receive and file as an information item.

B. Approve a request from the Measure M2 Taxpayer Oversight Committee to conduct Measure M2 compliance audits on an annual basis. If approved, authorize an increase in contract budget of \$400,000 for fiscal years 2024-25 and 2025-26 under Agreement No. C-3-2931 with Crowe LLP, increasing the maximum obligation to \$2,185,500.

Background

As spelled out in the Orange County Local Transportation Authority (OCLTA) Measure M2 (M2) Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for reviewing annual audits, along with other materials, and holding an annual public hearing to determine whether the OCLTA is proceeding in accordance with the M2 Ordinance. In addition, following the public hearing, the TOC Chairperson is required to annually certify whether revenues have been

spent in compliance with the M2 Ordinance. The TOC Chairperson has communicated that a compliance audit by an independent accounting firm is required to provide his annual certification.

In September 2023, the TOC voted to make a request to the OCTA Board of Directors (Board) to contract with an independent accounting firm for provision of a limited compliance audit for the fiscal year (FY) 2022-23 and full compliance audits starting in FY 2023-24.

On October 9, 2023, the Board approved the TOC's request for a limited audit for FY 2022-23 and a full compliance audit for FY 2023-24.

Discussion

Crowe LLP (auditors) conducted the audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, and the M2 Ordinance. The objectives of the audit were to obtain reasonable assurance about whether material noncompliance with the M2 Ordinance occurred and express an opinion on compliance based on the audit.

The auditors found that OCLTA complied, in all material respects, with the compliance requirements of the M2 Ordinance and no reportable deficiencies in internal control over compliance were identified.

The Board is also being asked to consider the TOC's outstanding request for the conduct of a full compliance audit on an annual basis going forward. Agreement No. C-3-2931 with the auditors includes optional pricing for these compliance audits at a cost of \$200,000 per year for the next two years and \$225,000 per year for the following two years.

Summary

The auditors have issued the OCLTA Report on Compliance with the Measure M2 Ordinance for the year ended June 30, 2024. The Board is being asked to authorize this audit on an annual basis, as requested by the TOC.

Orange County Local Transportation Authority Report on Compliance with the Measure M2 Ordinance, Year Ended June 30, 2024

Page 3

Attachment

A. Independent Auditor's Report on Compliance with the Measure M2 Ordinance and Report on Internal Control over Compliance

Approved by:

Janet Sutter

Executive Director, Internal Audit

714-560-5591



Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE MEASURE M2 ORDINANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors Orange County Local Transportation Authority Orange, California

Report on Compliance with the Measure M2 Ordinance

We have audited Orange County Local Transportation Authority's ("OCLTA") compliance with the types of requirements described in the Orange County Local Transportation Authority, Ordinance No. 3 (the "Ordinance" or "M2 Ordinance"), that could have a direct and material effect on OCLTA's compliance with the Ordinance for the year ended June 30, 2024.

In our opinion, OCLTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Ordinance for the year ended June 30, 2024.

Basis for Opinion on the Ordinance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Ordinance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of OCLTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of OCLTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Ordinance.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on OCLTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about OCLTA's compliance with the requirements of the Ordinance.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Ordinance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design
 and perform audit procedures responsive to those risks. Such procedures include examining, on a
 test basis, evidence regarding OCLTA's compliance with the compliance requirements referred to
 above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of OCLTA's internal control over compliance relevant to the audit in order
 to design audit procedures that are appropriate in the circumstances and to test and report on
 internal control over compliance in accordance with the Ordinance, but not for the purpose of
 expressing an opinion on the effectiveness of OCLTA's internal control over compliance.
 Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Ordinance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Ordinance will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Ordinance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.

Crowe SP Crowe LLP

Los Angeles, California April 11, 2025



METROLINK

OCTA FY26 Budget Presentation

April 28, 2025 Darren Kettle, Metrolink CEO

FY26 Proposed Budget





Proposed FY26 Operating Budget Summary

Operating Revenue - \$76.9M

• Increase from FY25 of **\$8.9M** or **13.1%**

Total Expenses - \$346.2M

• Increase from FY25 of **\$15.5M** or **4.7%**

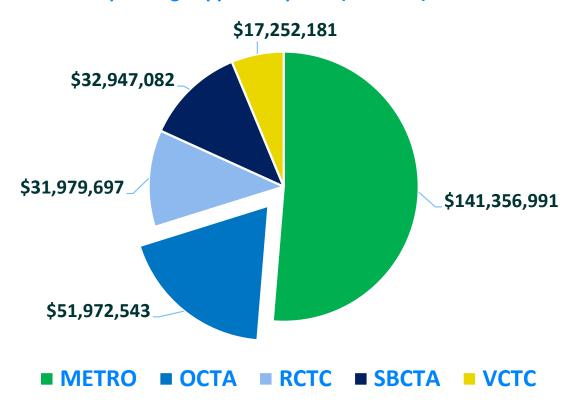
Member Agency Support - \$269.3M

Increase from FY25 of \$6.6M or 2.5%

Operating
Support Required
from Member
Agencies

Proposed FY26 Operating Support Required by Member Agency

Operating Support Required (\$275.5M)



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Notes:

Includes LA Metro Outside 20', SBCTA SB Sheriffs, 2028 Olympics Readiness, and New Regulation - CFR 245 & 246



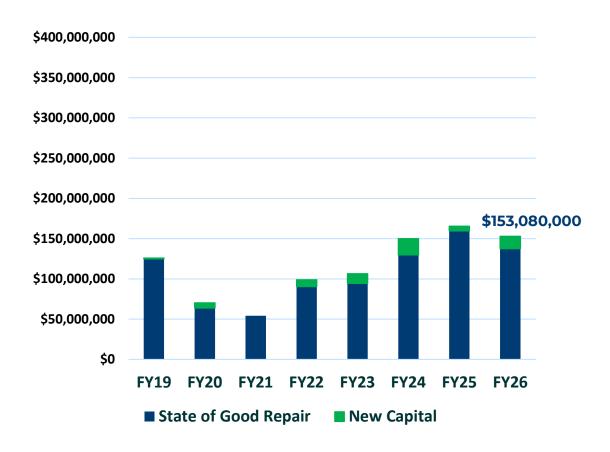
Proposed FY26 Capital Program Overview

- State of Good Repair \$137.5M
 - Decrease from FY25 of (\$22.1M) or -13.9%

- New Capital **\$15.6M**
 - Increase from FY25 of **\$9.7M** or **164.4%**

FY26 Capital Program FY19 – FY26 - SGR - New Capital

Proposed FY26 Capital Program FY19 – FY26 State of Good Repair & New Capital



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Note:

• FY23 data does not include New Capital Tier 4 Locomotive Purchase

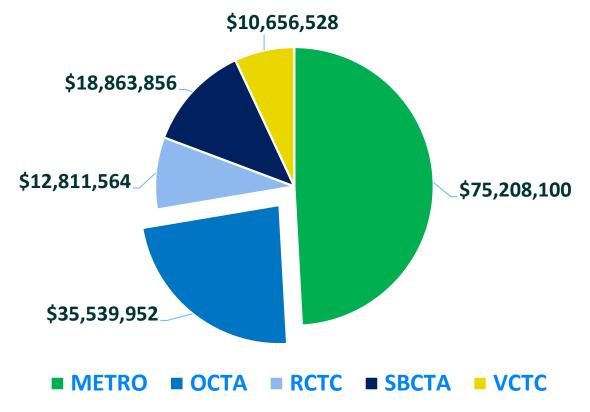
FY26 Capital Program By Member Agency

- SGR
- New Capital

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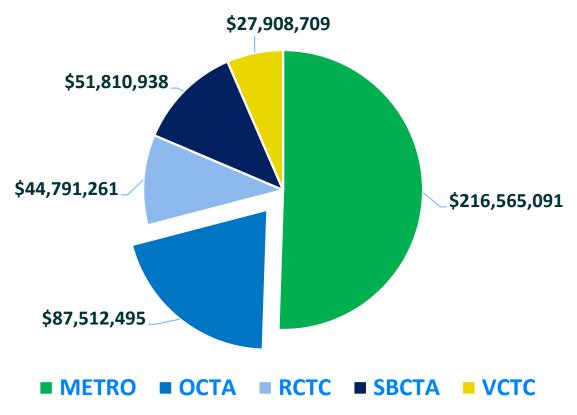
Proposed FY26 Capital Program Support Required By Member Agency

Capital Support Required (\$153.1M)



Proposed FY26 Operating and Capital Budgets Support Required by Member Agency

Total Support Required (\$428.6M)



Proposed FY26
Budget (Operating &
Capital Program)
Support Required
from Member
Agencies

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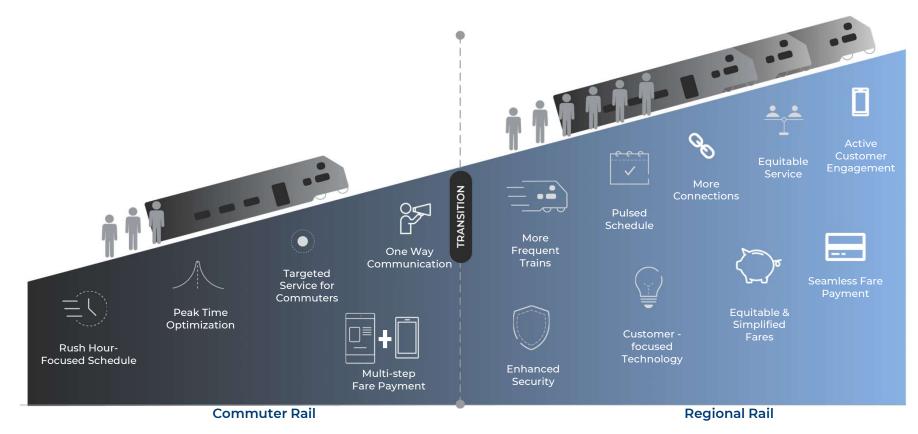
Notes:

Includes LA Metro Outside 20', SBCTA SB Sheriffs, 2028 Olympics Readiness, and New Regulation – CFR 245 & 246

FY25 Metrolink Update







Metrolink Reimagined

Connecting communities, transforming journeys

Four principles driving schedule change

- More trains to capture both commute and discretionary trips.
 Peak and Non-Peak
- Clock-faced schedules
- More efficiency with equipment and crews
- More line-to-line connections at Los Angeles Union Station



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A Year of Big Things

Implemented largest schedule change in Metrolink history



Awarded most significant contract for Operations & Maintenance



Alstom Team Training for Transition

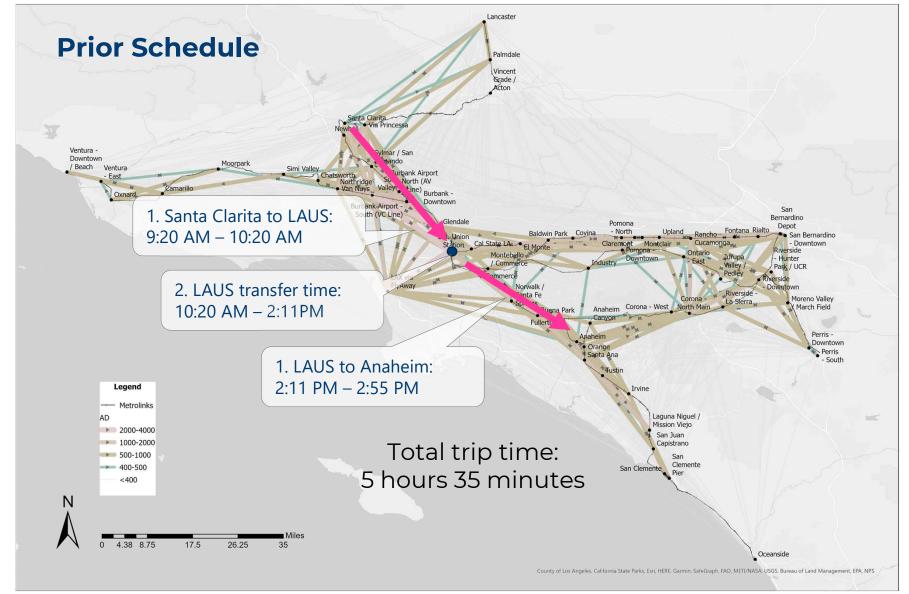
First in the country to implement **WCNSS** Wireless Crossings



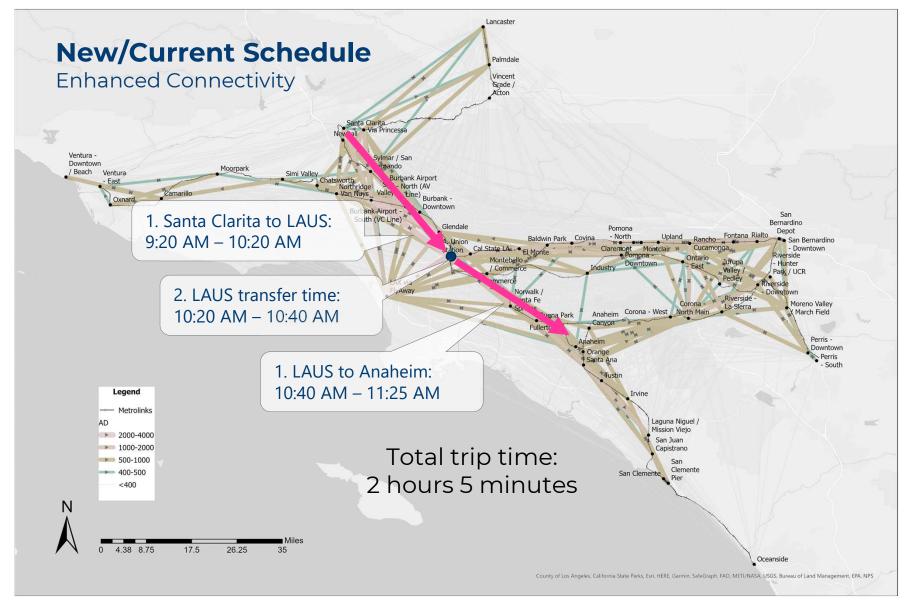
Del Obispo First of 52 Smart Crossings

32 More Trains & 200+ Connections

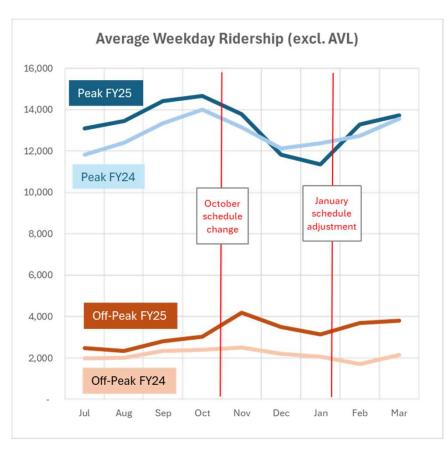








Peak/Off-Peak Ridership Analysis



Since the October schedule change

- Off-peak ridership up 74% year-over-year
- Peak ridership: no change year-over-year

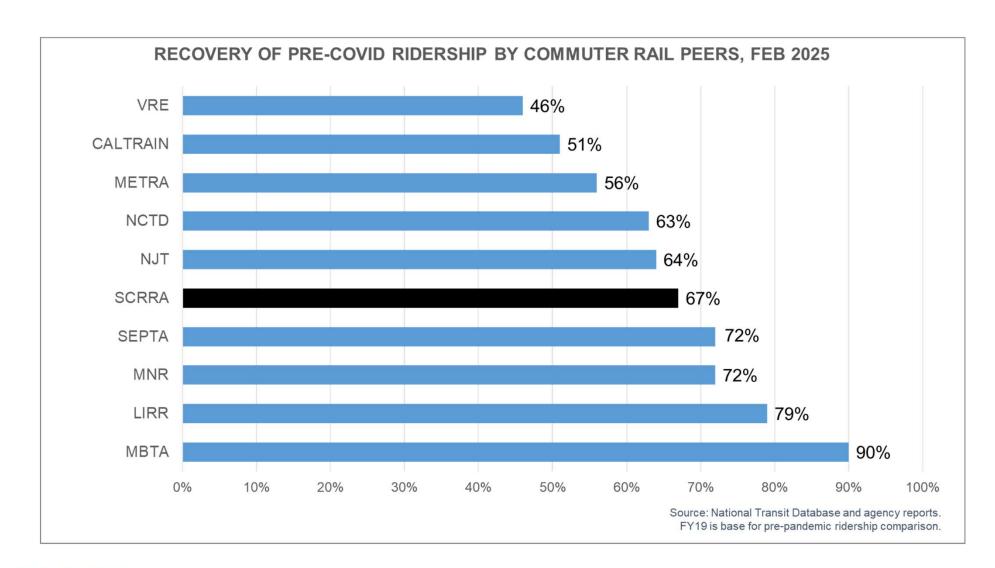


Peak-ridership

Unchanged from a year ago.



Source: Conductor counts







San Juan Creek Bridge **Replacement Project** Replacement of the railroad bridge over San Juan Creek in the City of San Juan Capistrano is in progress.

Enhances safety and load-carrying capacity

Project Budget: \$60M

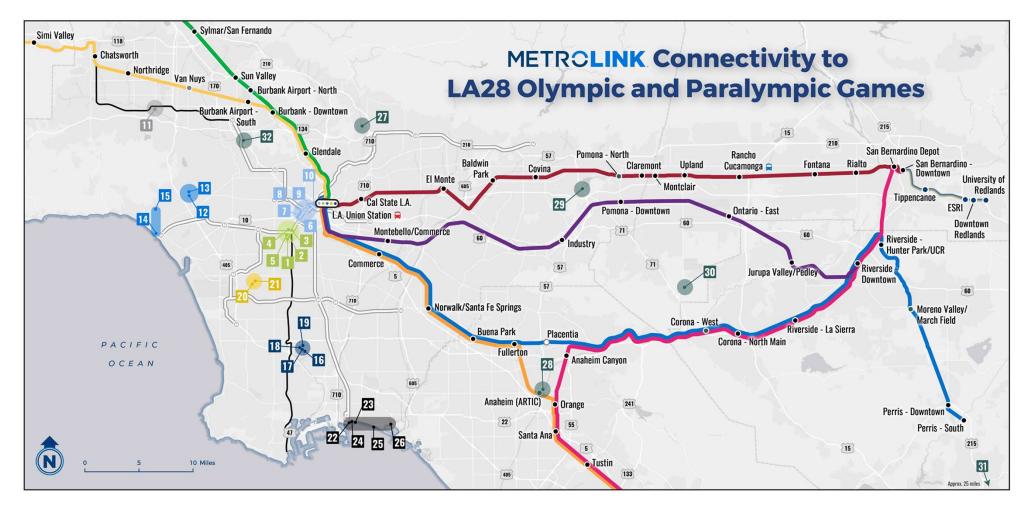


Resiliency Along the LOSSAN Corridor

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OCTA





Metrolink will serve as the critical link to regional venues, hotels, residential areas, workforce housing, amusement parks, and tourist attractions.

2028 Olympics Preparation

Advocacy

- Federal
- State

Service Capacity

- Maintenance and equipment layovers
- Equipment availability
- Service levels
- Slots & crews

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