



May 14, 2026

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Wave Card Utilization and Performance Report

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Overview

The Orange County Transportation Authority launched the Wave card fare payment system in October 2025 as part of the Rider Validation System implementation. This report provides an update on Wave card utilization, customer adoption, fare payment behavior, access, and related activities. Wave card adoption continues to grow as customers transition from legacy fare media, supporting the Orange County Transportation Authority's ongoing fare modernization efforts.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) has undertaken a significant effort to modernize its fare collection system to improve customer experience, simplify fare payment, and provide greater flexibility in fare policy. On October 23, 2023, the Board of Directors (Board) approved implementation of the Rider Validation System, which established an account-based fare system that supports contactless smart cards, mobile fare tools, and additional flexible payment options. On November 25, 2024, the Board approved amendments to OCTA's Fare Policy, including the addition of fare capping and a free two-hour transfer period. In early 2025, OCTA completed the required public outreach and Title VI Fare Equity Analysis for the new fare media. Then in October 2025, OCTA launched the WAVE card fare payment system and began transitioning customers from magnetic stripe paper passes to the contactless Wave physical and virtual cards while also supporting debit and credit card payments also known as open payments. Though OCTA is transitioning from legacy fare media such as magnetic stripe passes, cash payment will continue to be accepted.

Discussion

Since its launch, Wave physical and virtual cards (Wave) have become OCTA’s primary electronic fare media. Ongoing monitoring indicates a steady migration from legacy magnetic stripe passes and the former mobile application to Wave and credit card/open payment options. Wave provides a more flexible and convenient payment method along with key account-based features including fare capping, free two-hour transfers, balance protection, autoload, and online account management which continue to enhance customer experience by supporting a simplified, pay-as-you-go approach. This ensures riders pay the lowest applicable fare without the need for upfront pass purchases.

Customer Adoption and Fare Payment Behavior

Wave adoption increased significantly for the first six months following the October 2025 launch. Initially following the launch, Wave and open payment options accounted for approximately 31 percent of boardings, farebox payments accounted for approximately 54 percent, and the remaining approximately 15 percent were legacy mobile application boardings that continued during the transition period. By March 2026, adoption had grown to approximately 60 percent and remained strong at approximately 61 percent in April 2026. During the same period, farebox payments declined to 39 percent of boardings. Legacy mobile application usage was fully phased out by March 2026, and magnetic stripe media was subsequently phased out in April 2026. The table below (Table 1) illustrates the shift in fare media usage, highlighting increased adoption of Wave and open payments alongside a corresponding decline in farebox and legacy payment methods.

Table 1: Fare Media Share of Boardings

Fare Category	October 2025	February 2026	March 2026	April 2026
Farebox*	54%	43.1%	40.0%	39.0%
Legacy mobile application	15.3%	1.0%	0.0%	0.0%
Wave and open payments	31.5%	55.9%	60.0%	61.0%

*Farebox includes cash, magnetic stripe passes and transfers

As of April 2026, approximately 61 percent of boardings paid using Wave and open payment methods. The remaining farebox activity consisted of approximately 20 percent cash payments, 12 percent magnetic stripe passes,

and seven percent non-cash transfers from agencies with existing transfer agreements with OCTA.

The table below (Table 2) provides a snapshot of Wave program adoption, account distribution, and fare payment usage as of April 2026.

Table 2: Wave Snapshot as of April 2026

Transit Accounts Breakdown	#	%
Physical Wave card accounts	158,707	62%
Virtual Wave accounts (new mobile app)	97,149	38%
Active transit accounts	255,856	100%
Boardings Per Payment Type		%
Wave/open payment share of boardings		61%
Cash fare usage		20%
Magnetic stripe usage		12%
Tracked/non-cash farebox rides		7%

Active transit accounts increased from 159,547 in October 2025 to 255,856 in April 2026, reflecting continued growth in program adoption. The current account mix is approximately 62 percent physical cards and 38 percent virtual cards and open payments. Customers can obtain or reload Wave cards through multiple channels, including the OCTA Store, customer website, mobile application, retail network, institutional portals, and customer service centers.

Customer Access and Account Growth

Retail access remains a critical component of the Wave Program, ensuring equitable availability of fare media across diverse customer groups. The Wave retail network has expanded to more than 400 locations, a significant increase from the 113 locations that previously supported legacy media. As of April 2026, the retail network processed 60,085 transactions totaling approximately \$1.17 million in Wave card sales and reload activity. The majority of this activity was generated through the top five retail sales channels: Northgate, CVS Pharmacy, and independent neighborhood retailers represented through Future-Com, 7-Eleven, and Albertsons. Together, these five channels accounted for 58,724 transactions and approximately \$1.15 million, or about 98 percent of total retail sales activity.

In addition, staff has initiated a targeted effort to expand Wave card sales and reload access within the Little Saigon area in response to Board interest in improving retail availability for riders who rely on in-person and cash-based

transactions. Earlier this year, OCTA identified 56 prospective independent retailers and community-serving locations and provided this information to OCTA's third-party retail onboarding partners for outreach and follow up. To date, one retailer has executed a contract, 21 retailers have expressed interest, and two remain potential opportunities. While this outreach has generated interest, some smaller independent markets have identified barriers to participation, including limited point-of-sale capabilities, staffing constraints, and the need for additional training resources to support Wave card sales and reload functions. To help address these challenges, OCTA is coordinating with our technology vendor to evaluate compact, stand-alone point-of-sale devices similar to equipment used by other transit agencies. Staff will begin testing this equipment to determine whether it can provide a more streamlined onboarding option for small independent markets. OCTA will continue working with its retail onboarding partners to advance interested retailers through contracting, technical set-up, testing, training, and inventory delivery, and will provide future updates as additional locations are added to the Wave card retail network.

Institutional participation continues to grow and plays an important role in driving adoption. To date, all nine community colleges and three universities have been onboarded. Additionally, 13 social service agencies and ten employers have been established with institutional account portals to support enrollment, distribution, and ongoing account management. Staff will continue to partner with educational institutions, employers, and community organizations to expand participation, streamline onboarding, and support a successful transition to Wave fare media.

Legacy Media Transition

Magnetic stripe usage has continued to decline as customers transition to Wave and other modern payment options. Magnetic stripe activity decreased from approximately 26 percent of boardings in October 2025 to approximately 12 percent by April 2026, reflecting steady progress toward full adoption of the new fare system.

In support of this transition, sales and electronic acceptance of magnetic stripe media were discontinued effective April 30, 2026. To minimize customer disruption and ensure a seamless transition, operators will continue to provide visual validation of any remaining active magnetic stripe passes through May 31, 2026. This phased approach allows customers who recently activated passes to complete their use while maintaining a positive rider experience during the final transition period.

Next Steps

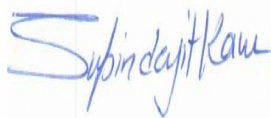
OCTA continues to monitor system performance and customer adoption as the fare modernization program matures. In addition, OCTA is working to replace the existing fareboxes that have surpassed their useful life. System integration testing and initial field integration testing is set to begin in May 2026, followed by pilot testing on active buses from late May through June. Phase 1 installation is scheduled to begin at the Santa Ana bus base in late June, with systemwide deployment planned across the Garden Grove, Irvine, and Anaheim bus bases from July through October 2026. Final system acceptance is scheduled for October 30, 2026.

Summary

The Wave card program continues to support OCTA's fare modernization efforts by simplifying fare payment, expanding customer access, and enabling more flexible fare options. As of April 2026, Wave accounts for approximately 61 percent of boardings, reflecting strong adoption, while legacy magnetic stripe pass usage continues to decline. At the same time, expanded retail and institutional access has improved availability and convenience for customers.

Attachment

None.

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