



# **MINUTES**

## ***Executive Committee Meeting***

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### **Committee Members Present**

Tim Shaw, Chairman  
Steve Jones, Vice Chairman  
Laurie Davies  
Michael Hennessey  
Mark A. Murphy

### **Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Ken Phipps, Deputy Chief Executive Officer  
Laurena Weinert, Clerk of the Board  
James Donich, General Counsel  
OCTA Staff and Members of the General Public

### **Committee Members Absent**

Lisa A. Bartlett  
Andrew Do

### **Call to Order**

The June 3, 2019 regular meeting of the Executive Committee was called to order by Chairman Shaw at 9:02 a.m.

### **Pledge of Allegiance**

Director M. Murphy led in the Pledge of Allegiance.

#### **1. Public Comments**

There were no public comments.

### **Special Calendar**

#### **2. Public Member Appointment Process to the Board of Directors**

Darrell E. Johnson, Chief Executive Officer (CEO), reported on how the Orange County Transportation Authority (OCTA) Board of Directors (Board) are selected, and Assembly Bill 710 does not specifically outline how the two Public Members are selected.

Mr. Johnson, CEO, stated that the Public Member selection has varied depending on the type of need (e.g., vacancy or reappointment.) Additionally, he referenced Attachment A of the Staff Report and reported that Director Michael Hennessey's term expires at the end of September 2019.

James Donich, General Counsel, stated that the Public Member selection is at the discretion of the current Chairman of the Board. Mr. Donich reported that the California Public Utilities Code states that the Public Member is to be selected by a majority vote of the 15 Board Members.



**2. (Continued)**

A discussion ensued regarding:

- The 15 Board Members that vote for the Public Member are the Ten City Members and five Members of the Board of Supervisors.
- AB 710 states the following:
  - The Public Member must be a resident of Orange County, and
  - Currently not serving or within the last four years, as an elected official of a city, county, any agency, or special district within Orange County.
- Director Davies expressed her positive interaction while serving the Board with Director Hennessey who has valued Board experience and supports reappointment.
- Vice Chairman Jones stated that Director Hennessey has OCTA institutional knowledge, there has been recent turnover on the Board, continuity of leadership on the Board is important, and supports reappointment of Director Hennessey.
- Director M. Murphy highlighted his positive interactions with Director Hennessey and supports reappointment.
- Chairman Shaw stated that Director Hennessey is a real estate expert, served on the Southern California Regional Rail Authority Board as an OCTA Board representative, and served on a Board Ad Hoc Committee for renegotiations of OCTA's Headquarters.

As the request of the Committee Members, Director Hennessey provided comments and stated he has been an honored and commented to serving on OCTA's Board.

A motion was made by Director Davies, seconded by Director M. Murphy, and declared passed by those present, to approve the reappointment of Director Michael Hennessey for a four-year term as a Public Member to the Board of Directors to commence on September 30, 2019.

Director Hennessey did not vote on this item.



**Consent Calendar (Items 3 through 5)**

**3. Approval of Minutes**

A motion was made by Director Davies, seconded by Vice Chairman Jones, and declared passed by those present, to approve the minutes of the Executive Committee meeting of May 6, 2019.

Director Davies abstained due to being absent from the May 6, 2019 Executive Committee meeting.

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

A motion was made by Director Davies, seconded by Vice Chairman Jones, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Cooperative Agreement No. C-5-3342 between the Orange County Transportation Authority and County of Orange, Orange County Sheriff's Department, in the amount of \$8,884,060, for Transit Police Services, effective July 1, 2019 through June 30, 2020. This will increase the maximum obligation of the agreement to a total contract value of \$39,057,451.

**5. Amendment to Agreement for Orange County Transportation Authority's General Counsel Legal Services**

A motion was made by Davies, seconded by Vice Chairman Jones, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-4-1816 between the Orange County Transportation Authority and Woodruff, Spradlin & Smart, to exercise the five-year option term of the agreement from January 1, 2020 through December 31, 2024, to provide general counsel and liability defense services.



## Regular Calendar

### 6. **Measure M2 Quarterly Progress Report for the Period of January 2019 Through March 2019**

Tami Warren, Manager of the Measure M Program Office, provided a PowerPoint presentation for this item as follows:

- Overview;
- Program Highlights – Freeways;
- Third Quarter Freeway Highlights;
- Program Highlights – Street and Roads;
- Program Highlights – Transit;
- Third Quarter Transit Highlights;
- Program Highlights – Environmental;
- Third Quarter Environmental Highlights;
- Program Outlook;
- Freeway Funding Signs;
- Program Management Office Activities; and
- Summary.

A discussion ensued regarding:

- The recent Measure M2 (M2) performance assessment indicated that OCTA is ahead with delivering of the freeway projects to be completed by end of 2026.
- The M2 Early Action Plan and Next 10 accelerated many of the large capital construction projects.
- As OCTA approaches the mid-2020s, there will need to be consideration if future delivery of projects will be based on state and federal funds or review an option for self-generation of revenues.
- Near the end of the 2020s, OCTA will be two-thirds completed with the freeway projects, and the freeway projects will be ready for delivery slightly before funding (e.g., planned, environmentally cleared, and ready for construction.)
- M2 Streets and Roads programs and Projects S and V are going well, and examples where given of what has been completed.
- When Measure M2 was passed, the funding projection was \$23.3 billion and with the great recession and online sales, the projection is now \$13.1 billion.
- OCTA will make good on all M2 promises made to the voters.
- Under the original M2, there were no assumptions for external funding and OCTA took a conservative approach.

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



## Discussion Items

**7. Cyber Security Update**  
William Mao/Andrew Oftelie

Andrew Oftelie, Chief Financial Officer, provided opening comments and introduced Michael Cardoza, Manager of Cyber Security, who provided a PowerPoint presentation for this item as follows:

- Regulations and Policy;
- Understanding Current Threats;
- OCTA Cyber Security Posture;
- Security Projects and Accomplishments; and
- Cyber Security Roadmap.

A discussion ensued regarding:

- The reason why California had more than double the victims of cyber crime than the next closest state is due to having more businesses and larger population.
- Slide 3 of the PowerPoint was referenced, and “APT attacks” means Advanced Persistent Threat from a “nation state,” which is a form of political organization under a relatively homogeneous people that inhabits a sovereign state.
- OCTA has moved into the hybrid cloud model and a vast majority of OCTA users are using Office 365.
- A majority of OCTA’s data, share drives, and office applications are stored in the cloud.

No action was taken on this information item.

**8. Fiscal Year 2019-20 Budget Workshop Follow-up**

Victor Velazquez, Department Manager of Financial Planning and Analysis, referred to a handout provided at today’s meeting, which listed questions and answers that resulted from the May 13, 2019 Board Budget Workshop and Committee meetings, as well as offered one-on-one meetings to all Board Members.



**8. (Continued)**

A discussion ensued regarding:

- Board Member questions and written responses about the proposed budget are documented in today's handout that was provided to the Committee Members.
- At the recent Finance and Administration (F&A) Committee meeting, there were questions about the Personnel and Salary Resolution. Additionally, suggestions were made by the F&A Committee to clarify the presentation as it goes forward to the Board on June 10, 2019 for the Public Hearing.
- The F&A Committee's recent questions are included in the today's handout.
- Staff met with the five new Board Members about the proposed budget and will provide an additional briefing to Director Wagner.
- Chairman Shaw would be interested in having a briefing about the proposed budget.
- There have been no changes to the proposed budget from the May 13th budget workshop to current.

No action was taken on this information item.

**9. Chief Executive Officer's Report**

Darrell E. Johnson, CEO, reported the following:

Mobility 21 Advocacy Trip:

- Later today, he will travel to Washington, D.C. as part of the Mobility 21 delegation trip.
- He will participate in a series of meetings with the Administration and legislators.
- Returning to the office on Thursday, June 6th.

Open Space Hike:

- On Saturday, June 8th, OCTA will host a family hike at the Wren's View Preserve to give the public an opportunity to explore this 116-acre open space property located northwest of the City of Rancho Santa Margarita in Trabuco Canyon.
- The one-hour moderate hike will start at 8:30 a.m.



# MINUTES

## *Executive Committee Meeting*

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### 10. Committee Members' Reports

Chairman Shaw congratulated Director Hennessey for the today's agenda Item 2 action to be reappointed as the Public Member.

### 11. Closed Session

There were no Closed Session items scheduled.

### 12. Adjournment

The Executive Committee meeting adjourned at 9:51 a.m.

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, July 1, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07, Orange, California.

ATTEST

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Laurena Weinert  
Clerk of the Board

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Tim Shaw  
Chairman