

Orange County Transportation Authority



Board Meeting Agenda

Monday, January 23, 2017 at 9:00 a.m.

550 South Main Street, Board Room - Conf. Room 07-08, Orange, California

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

The 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 of Directors 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 Comments on Agenda Items

Members of the public may address the Board of Directors regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

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.

Call to Order

Invocation - Director Steel

Pledge of Allegiance - Director Winterbottom

Special Calendar

Orange County Transportation Authority Special Calendar Matters

1. **Presentation of Resolutions of Appreciation for Employees of the Month for January 2017**

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2017-04, 2017-05, 2017-06 to Richard Wong, Coach Operator; Ivan Velarde, Maintenance; and Nicolette La Piana, Administration, as Employees of the Month for January 2017.

2. **2017 Orange County Transportation Authority Board Strategic Initiatives**
Chairman Michael Hennessey

Overview

At the beginning of each calendar year, the new Chairman of the Board of Directors sets the tone and direction for the year by presenting major initiatives to be accomplished for the year to the Board of Directors. This report summarizes the Orange County Transportation Authority Board Strategic Initiatives for calendar year 2017. The Board Strategic Initiatives directly support the values, vision, mission, and goals of the Orange County Transportation Authority Strategic Plan and sets the direction for programs and projects for 2017.

Consent Calendar (Items 3 through 19)

Orange County Transportation Authority Consent Calendar Matters

3. **Approval of Minutes**

Approval of the Orange County Transportation Authority and affiliated agencies' regular meeting of January 9, 2017.

4. **Approval of 2017 Orange County Transportation Authority Board Committees and External Agencies' Assignments**

Chairman Michael Hennessey

Overview

The recommended 2017 Board Member assignments for the Orange County Transportation Authority Board Committees and external agencies are presented for the Board of Directors consideration and approval.

4. (Continued)

Recommendations

- A. Approve the Chairman's assignments for the 2017 Orange County Transportation Authority Board Committees comprised of the Executive, Finance and Administration, Legislative and Communications, Regional Planning and Highways, State Route 91 Advisory, Transit, and Environmental Oversight Committees.
- B. Receive the Chairman's assignments for 2017 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, and Southern California Regional Rail Authority.

5. Rail Programs and Facilities Engineering Quarterly Report

Author/Executive Director

Jennifer Bergener/Jim Beil

Overview

The Rail Programs and Facilities Engineering Department is responsible for the Orange County Transportation Authority's rail capital project development, rail operations, and transit facilities engineering projects. This report provides an update on rail and facilities engineering programs through the first quarter (July, August, and September) of fiscal year 2016-17.

Recommendation

Receive and file as an information item.

6. Cooperative Agreement with the Southern California Regional Rail Authority for the Laguna Niguel to San Juan Capistrano Passing Siding Project

Author/Executive Director

Jason Lee/Jim Beil

Overview

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the Southern California Regional Rail Authority to define roles and responsibilities and funding for the installation of rail signals, communications, and wayside positive train control systems in conjunction with the Laguna Niguel to San Juan Capistrano Passing Siding project.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-6-1615 between the Orange County Transportation Authority and Southern California Regional Rail Authority, in the amount of \$5,507,000, for the construction of rail signals, communications, and wayside positive train control installations and modifications for the Laguna Niguel to San Juan Capistrano Passing Siding project.

7. Fourth Quarter 2016 Debt and Investment Report

Author/Executive Director

Rodney Johnson/Andrew Oftelie

Overview

The California Government Code authorizes the Orange County Transportation Authority Treasurer to submit a quarterly investment report detailing the investment activity for the period. This investment report covers the fourth quarter of 2016, October through December, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

Recommendation

Receive and file the Quarterly Debt and Investment Report prepared by the Treasurer as an information item.

8. Fiscal Year 2016-17 First Quarter Grant Reimbursement Status Report

Author/Executive Director

Rene Vega/Andrew Oftelie

Overview

The Quarterly Grant Reimbursement Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the period of July through September 2016.

Recommendation

Receive and file as an information item.

9. State Legislative Status Report

Author/Executive Director

Brandon Bullock/Lance M. Larson

Overview

An update is provided on a bill supported consistent with the Orange County Transportation Authority's 2017-18 State Legislative Platform, related to the delegation of federal environmental review authority under the National Environmental Protection Act. A summary of transportation funding proposals introduced in the Legislature is provided. An outline of State Senate leadership and committee assignments for the 2017-18 state legislative session is provided. An update on the Governor's proposed fiscal year 2017-18 budget is provided.

Recommendation

Receive and file as an informational item.

10. Federal Legislative Status Report

Author/Executive Director

Kristin Essner/Lance M. Larson

Overview

In December 2016, Congress passed and the President signed into law a continuing resolution to appropriate funding for all departments of the federal government until April 28, 2017. The President-elect stated his intent to pursue an infrastructure investment package. Federal advocacy goals for 2017 are recommended for adoption. An update is provided on the confirmation of a new Secretary of Transportation.

Recommendation

Adopt the 2017 Federal Legislative Advocacy Goals and direct staff to take necessary and appropriate actions in furtherance of these goals in Washington.

11. Proposition 1B California Transit Security Grant Program Authorization for 2015 and 2016.

Author/Executive Director

Ric Teano/Lance M. Larson

Overview

In 2006, Proposition 1B authorized the issuance of general obligation bonds to support transportation improvements throughout the state. Included in Proposition 1B is the California Transit Security Grant Program, which makes available over \$3.52 million annually to Orange County to fund eligible transit system safety, security, and disaster response projects. For fiscal years 2015 and 2016 allocations, a list of candidate projects is presented for consideration, along with an authorizing resolution to execute grant-related agreements, as required by the program.

Recommendations

- A. Adopt Orange County Transportation Authority Resolution No. 2017-003 authorizing the Chief Executive Officer, or designee, to file and execute grant-related agreements with the California Governor's Office of Emergency Services as the designated administrative agency of the California Transit Security Grant Program.
- B. Approve the candidate project list and authorize staff to amend the Federal Transportation Improvement Program to accommodate grant revenues.

12. Fiscal Year 2015-16 Annual Financial and Agreed-Upon Procedures Reports

Executive Director

Janet Sutter

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements. Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has completed its annual audits of the Orange County Transportation Authority and related entities for the fiscal year 2015-16. Additionally, reports have been issued on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements. All reports are included herewith.

Recommendation

Receive and file the fiscal year 2015-16 annual financial and agreed-upon procedures reports as an information item.

13. Fiscal Year 2015-16 Auditor's Communication to Those Charged with Governance

Executive Director

Janet Sutter

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on its Comprehensive Annual Financial Report, various fund financial statements, schedules, and agreements. Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, conducted the annual audit of the Orange County Transportation Authority's financial statements, schedules, and agreements for fiscal year 2015-16, and has issued reports thereon. Vavrinek, Trine, Day & Company, LLP, as required by United States Generally Accepted Auditing Standards and Office of Management and Budget Circular A-133, has herewith issued its Auditor's Communication to Those Charged with Governance.

Recommendation

Receive and file as an information item.

14. Laguna Beach Municipal Transit Lines, Annual Transportation Development Act Program Audit for Fiscal Year 2015-16

Executive Director
Janet Sutter

Overview

Pursuant to Part 21, Section 6667 of the California Code of Regulations, an audit of Transportation Development Act Article 4 Funds disbursed to the City of Laguna Beach has been conducted for the fiscal year ended June 30, 2016, by Vavrinek, Trine, Day & Company, LLP.

Recommendation

Receive and file the Laguna Beach Municipal Transit Lines, Transportation Development Act Program audit for fiscal year 2015-16, as an information item.

15. Payment Card Industry Data Security Standard Compliance, Internal Audit Report No. 17-502

Author/Executive Director
Gerald Dunning/Janet Sutter

Overview

The Internal Audit Department has completed an audit of Payment Card Industry Data Security Standard compliance. Based on the audit, the Orange County Transportation Authority is not fully compliant with standards and reporting requirements of the Payment Card Industry Data Security Standard or related payment card issuer standards.

Recommendation

Direct staff to implement two recommendations provided in Payment Card Industry Data Security Standard Compliance, Internal Audit Report No. 17-502.

16. Transit Projects Programming Revisions

Author/Executive Director

Louis Zhao/Kia Mortazavi

Overview

The Orange County Transportation Authority uses various state, federal, and local fund sources to fund transit capital projects. Additional funds for the Southern California Regional Rail Authority's rehabilitation budget and specific project-level funding revisions for transit projects are presented for the Board of Directors' approval.

Recommendations

- A. Authorize an overall increase in project funding from \$34.2 million to \$39.756 million for the Laguna Niguel to San Juan Capistrano Passing Siding Project, which includes the following funding:
 - Use of \$3 million in Transit Intercity Rail Capital Program funds.
 - Use of \$2.556 million in additional Congestion Mitigation and Air Quality Improvement Program funds.
- B. Approve Resolution 2017-001, authorizing the Chief Executive Officer to file and execute agreements, certifications and assurances for the Laguna Niguel to San Juan Capistrano passing siding, consistent with the Transit Intercity Rail Capital Program Guidelines.
- C. Authorize the following changes for Federal Transit Administration funding:
 - Use of \$1.348 million in additional Federal Transit Administration Section 5337 State of Good Repair funds towards the Southern California Regional Rail Authority rehabilitation budget.
 - Reprogram up to \$22.786 million of Federal Transit Administration Section 5307 Urbanized Area Formula Program funds from Preventive Maintenance to purchase 40-foot alternative fuel replacement buses in federal fiscal year 2016-17 to offset local transit funds.
 - Reprogram up to \$6.086 million in Federal Transit Administration Section 5307 Urbanized Area Formula Program funds from Preventive Maintenance to Capital Cost of Contracting in federal fiscal year 2016-17 to cover increases due to annual inflation built into the contract.

16. (Continued)

- Reprogram up to \$0.960 million in Federal Transit Administration Section 5309 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users Earmark funds from video surveillance systems at Metrolink Stations to video surveillance systems upgrades at Santa Ana and Garden Grove bases.
- D. 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.

17. Approval to Release Invitation for Bids for Engine Installation Kits

Author/Executive Director

Cliff Thorne/Beth McCormick

Overview

The Orange County Transportation Authority currently operates 97 New Flyer compressed natural gas-powered buses which are eligible for a midlife bus engine overhaul. The award of an agreement for the engines has already been approved by the Board of Directors. The replacement engines require additional components for the new configuration and installation. Staff is requesting approval to release an invitation for bids for the procurement of engine installation kits intended for the engine repower program.

Recommendation

Approve the release of Invitation for Bids 7-1507 for the procurement of 97 engine installation kits to support the engine repower program.

Orange County Transit District Consent Calendar Matters

18. Agreement for Replacement of Heating and Ventilation Units at Garden Grove Bus Base Maintenance Building Shop

Author/Executive Director

George Olivo/Jim Beil

Overview

The Orange County Transportation Authority's Board of Directors approved the replacement of heating and ventilation units at the Garden Grove Bus Base maintenance building shop as part of the Orange County Transportation Authority Fiscal Year 2016-17 Budget. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendations

- A. Find K & J Air Conditioning Incorporated, the apparent low bidder, as non-responsive due to the failure to meet the federal requirement for Disadvantaged Business Enterprise participation.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-6-1399 between the Orange County Transportation Authority and Western Air Conditioning Company Incorporated, the lowest responsive, responsible bidder, in the amount of \$290,000, for replacement of heating and ventilation units at Garden Grove Bus Base maintenance building shop.

Orange County Local Transportation Authority Consent Calendar Matters

19. Cooperative Agreement with the City of Santa Ana for the Use of Right-of-Way for the OC Streetcar Project

Author/Executive Director

Mary Shavalier/Jim Beil

Overview

The Orange County Transportation Authority is the lead agency for the design, construction, operations, and maintenance of the OC Streetcar project in the cities of Garden Grove and Santa Ana. A cooperative agreement with the City of Santa Ana is required to secure the use of public right-of-way for the construction, operations, and maintenance of the OC Streetcar project.

19. (Continued)

Recommendations

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-6-1433 between the Orange County Transportation Authority and the City of Santa Ana for use of public right-of-way for the construction, operations, and maintenance of the OC Streetcar project.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

20. Fiscal Year 2015-16 Management Letter

Executive Director

Janet Sutter

Overview

In connection with the annual audit of the Orange County Transportation Authority's financial statements, schedules, and agreements for fiscal year 2015-16, Vavrinek, Trine, Day & Company, LLP, has issued a management letter with four recommendations for improvement to internal controls.

Recommendations

- A. Receive and file the Orange County Transportation Authority Management Letter June 30, 2016.
- B. Direct staff to implement auditor recommendations related to the information technology environment.

21. Fiscal Year 2016-17 First Quarter Budget Status Report

Author/Executive Director

Scott Arbuckle/Andrew Oftelie

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2016-17 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2016-17.

21. (Continued)

Recommendation

Receive and file as an information item.

Orange County Transit District Regular Calendar Matters

22. OC Bus 360 Update and Next Steps

Author/Executive Director

Kurt Brotcke/Kia Mortazavi

Overview

The Orange County Transportation Authority is implementing a comprehensive effort to reposition the bus system in response to changing market conditions. The overall strategy to improve transit service by examining it from many angles is an initiative named OC Bus 360. The goals are to reverse ridership declines, and increase ridership by reducing passenger travel times, improving travel speeds, and designing services to benefit existing customers and attract new customers. A status report on major OC Bus 360 elements is presented along with next steps.

Recommendation

Receive and file as an information item.

Discussion Items

23. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

24. Chief Executive Officer's Report

25. Directors' Reports

26. Closed Session

A Closed Session will be held as follows:

- A. Pursuant to Government Code Section 54957.6 to discuss negotiations with Teamsters Local 952 regarding the maintenance unit. The lead negotiator for the Orange County Transportation Authority is Maggie McJilton, Executive Director of Human Resources and Organizational Development and for Teamsters Local 952 is Patrick Kelly or his designee.
- B. Pursuant to Government Code 54957.6 to discuss collective bargaining agreement negotiations with the Transportation Communications International Union (TCU) regarding the parts/stock room clerks and facilities maintenance employee unit. The lead negotiator for the Orange County Transportation Authority is Maggie McJilton, Executive Director of Human Resources and Organizational Development, and for TCU is Robert Ragland or his designee.
- C. Pursuant to Government Code Section 54956.9(d)(1) to discuss William Bryan v. Orange County Transportation Authority; Thuong Van Hoang, OCSC Case No. 30-2014-00763385.
- D. Pursuant to Government Code Section 54956.9(d)(1) to discuss Gabriela Mojica, Gilbert Valadez, as Guardian Ad Litem for Seth Valadez v. Orange County Transportation Authority; Marshall William Ham; Veolia Transportation Services, OCSC Case No. 30-2016-00840941.

27. Adjournment

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, February 13, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.