



BOARD AGENDA

Orange County Transportation Authority Board Meeting
Orange County Transportation Authority Headquarters
Board Room - Conference Room 07-08
550 South Main Street
Orange, California
Monday, May 8, 2017 at 9:00 a.m.

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 Davies

Pledge of Allegiance

Director Donchak



BOARD AGENDA

Special Calendar

Orange County Local Transportation Authority Special Calendar Matters

1. Draft Southern California Regional Rail Authority Fiscal Year 2017-18 Budget Update

Jennifer Bergener/James G. Beil

Overview

Metrolink staff will present a verbal overview of the draft Southern California Regional Rail Authority's proposed share of operating, rehabilitation, and capital expenses for Metrolink commuter rail service.

Consent Calendar (Items 2 through 14)

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

2. Approval of Minutes

Approval of the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of April 24, 2017.

3. 2017 Chief Executive Officer's Initiatives and Action Plan - First Quarter Progress Report

Darrell Johnson

Overview

At the end of each quarter of the calendar year, the Chief Executive Officer discusses the activities and accomplishments from the 2017 Chief Executive Officer's Initiatives and Action Plan with the Board of Directors. This report summarizes the first quarter activities of calendar year 2017 (January through March). The Chief Executive Officer's Initiatives and Action Plan directly support the values, vision, mission, and goals of the Orange County Transportation Authority Strategic Plan and 2017 OCTA Board Strategic Initiatives.



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3. (Continued)

Recommendation

Receive and file as an information item.

4. Investment Management Service Contracts, Internal Audit Report No. 17-504

Gabriel Tang/Janet Sutter

Overview

The Internal Audit Department has completed an audit of Investment Management Service Contracts. Based on the audit, contract compliance and invoice review controls are generally adequate; however, several concerns were identified related to the procurement of treasury management software. Also, a recommendation was made to update agreements with investment managers.

Recommendation

Direct staff to implement two recommendations provided in Investment Management Service Contracts, Internal Audit Report No. 17-504.

5. Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016

Gabriel Tang/Janet Sutter

Overview

The Internal Audit Department has completed an audit of investments for the period July 1 through December 31, 2016. Based on the audit, the Orange County Transportation Authority complied with its debt, investment, and reporting policies and procedures.

Recommendation

Receive and file Investments: Compliance, Controls, and Reporting, July 1 through December 31, 2016, Internal Audit Report No. 17-510, as an information item.



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6. **Fiscal Year 2016-17 Internal Audit Plan, Third Quarter Update**
Janet Sutter

Overview

The Orange County Transportation Authority Board of Directors adopted the Fiscal Year 2016-17 Internal Audit Plan on July 25, 2016. This update is for the third quarter of the fiscal year.

Recommendation

Receive and file the third quarter update to the Orange County Transportation Authority Fiscal Year 2016-17 Internal Audit Plan as an information item.

7. **Capital Programs Division - Third Quarter Fiscal Year 2016-17 Capital Action Plan Performance Metrics**
James G. Beil

Overview

The Orange County Transportation Authority's Strategic Plan key strategies and objectives to achieve the goals for Mobility and Stewardship include delivery of all Capital Action Plan projects on time and within budget. The Capital Action Plan is used to create a performance metric to assess capital project delivery progress on highway, grade separation, rail, and facility projects. This report provides an update on the Capital Action Plan delivery and performance metrics.

Recommendation

Receive and file as an information item.

8. **Third Quarter Fiscal Year 2016-17 Procurement Status Report**
Virginia Abadessa/Andrew Oftelie

Overview

The third quarter procurement status report summarizes the procurement activity for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from January 1 through March 31, 2017, that was approved by the Board of Directors during this period. The third quarter procurement status report also projects future procurement activity for the fourth quarter as identified in the fiscal year 2016-17 budget.



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8. (Continued)

Recommendation

Receive and file as an information item.

9. Interstate 405 Improvement Project Financing Update

Kirk Avila/Andrew Oftelie

Overview

Over the past year, the Orange County Transportation Authority has been working with its financing team to finalize a funding plan for the Interstate 405 Improvement Project. In January 2017, Notice to Proceed No. 1 was issued to OC 405 Partners to commence the design-build work for the project. Orange County Transportation Authority representatives have been negotiating a Transportation Infrastructure Finance and Innovation Act loan for the project with the Build America Bureau Credit Programs Office. This report provides an update on recent financing activities.

Recommendations

- A. Approve the use of a Letter of Credit/Line of Credit supported by Local Transportation Authority sales tax revenues in the principal amount of approximately \$900 million plus interest for the funding of the Interstate 405 Improvement Project, if required.
- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-5-3099 between the Orange County Transportation Authority and Nossaman LLP, in the amount of \$80,000, for additional bond counsel services related to the establishment of a Letter of Credit/Line of Credit for the Interstate 405 Improvement Project.
- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-1-3116 between the Orange County Transportation Authority and Sperry Capital, Inc., in the amount of \$80,000, for additional financial advisory services related to the establishment of a Letter of Credit/Line of Credit for the Interstate 405 Improvement Project, and to extend the current agreement term through November 30, 2017, to allow time for the completion of the project-related financings.



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10. Capital Programming Policies Update Adriann Cardoso/Kia Mortazavi

Overview

The Orange County Transportation Authority's Capital Programming Policies provide guidance to Orange County Transportation Authority staff on the use of Measure M2, state, and federal funds. Project-specific funding commitments are recommended based on these policies. Updated funding policies are presented for review and approval.

Recommendation

Approve the updated Capital Programming Policies.

11. Amendment to the Master Plan of Arterial Highways Carolyn Mamaradlo/Kia Mortazavi

Overview

The Orange County Transportation Authority administers the Master Plan of Arterial Highways, including the review and approval of amendments requested by local agencies. The County of Orange has requested an amendment to the Master Plan of Arterial Highways that is recommended for approval. A status update on active Master Plan of Arterial Highways amendments is also provided for Board of Directors' information.

Recommendations

- A. Approve an amendment to the Master Plan of Arterial Highways for the facilities listed below. The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the cities of Irvine, Lake Forest, Orange, and the County of Orange have amended their respective general plans, and have complied with the requirements of the California Environmental Quality Act.

County of Orange

- Reclassify Santiago Canyon Road from east of the State Route 241 northbound off-ramp, to Live Oak Canyon Road, from a primary (four-lane, divided) arterial to a collector (two-lane, undivided) arterial,



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11. (Continued)

- Delete the proposed Jeffrey Road extension between State Route 241 and Santiago Canyon Road, and
- Delete the proposed Black Star Canyon Road between Santiago Canyon Road and the Orange/Riverside County line.

If the originally proposed Master Plan of Arterial Highways amendment is modified as a result of the California Environmental Quality Act and/or general plan amendments processes, the modified Master Plan of Arterial Highways amendment shall be returned to the Orange County Transportation Authority's Board of Directors for consideration.

- B. Direct the Executive Director of Planning, or his designee, to file a Notice of Exemption from the California Environmental Quality Act in support of the amendment to the Master Plan of Arterial Highways.
- C. Receive and file a status report on the active Master Plan of Arterial Highways amendments.

Orange County Transit District Consent Calendar Matters

12. Agreement for Bus Parking Wheel Stops and Fence Repair at the Anaheim Bus Base

George Olivo/James G. Beil

Overview

The Orange County Transportation Authority's Board of Directors approved bus parking wheel stops and fence repair at the Anaheim Bus Base as part of the Orange County Transportation Authority's 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.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1553 between the Orange County Transportation Authority and Creative Home, doing business as CHI Construction, the lowest responsive, responsible bidder, in the amount of \$67,425, for bus parking wheel stops and fence repair at the Anaheim Bus Base.



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13. Agreement for Hydrogen Gas Detection Upgrades and Ventilation System Modification at the Santa Ana Bus Base

George Olivo/James G. Beil

Overview

The Orange County Transportation Authority's Board of Directors approved hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base as part of the Orange County Transportation Authority's 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.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1529 between the Orange County Transportation Authority and Clean Energy, a California corporation, the lowest responsive, responsible bidder, in the amount of \$80,405, for hydrogen gas detection upgrades and a ventilation system modification at the Santa Ana Bus Base.

Orange County Local Transportation Authority Consent Calendar Matters

14. Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark

May Hout/Kia Mortazavi

Overview

Measure M2 requires all local agencies in Orange County to annually satisfy eligibility requirements in order to receive Measure M2 net revenues. Fiscal year 2015-16 expenditure reports and resolutions have been submitted by the local agencies, and reviewed and approved by the Taxpayer Oversight Committee. Recommendations are presented to the Board of Directors for eligibility determination. The Measure M2 Ordinance includes eligibility requirements that local agencies must satisfy in order to receive Measure M2 net revenues, which include a periodic adjustment to the maintenance of effort benchmark. The Board of Directors approved the maintenance of effort benchmark adjustments on April 10, 2017. A correction to the City of San Juan Capistrano's maintenance of effort benchmark is also being presented to the Board of Directors for approval.



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14. (Continued)

Recommendations

- A. Approve fiscal year 2015-16 expenditure reports and find 35 local agencies eligible to receive Measure M2 revenues for fiscal year 2016-17.
- B. Approve the City of San Juan Capistrano's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

15. Interstate 5/EI Toro Road Interchange Improvement Project Environmental Phase Update

Niall Barrett/James G. Beil

Overview

On November 22, 2016, the Orange County Transportation Authority entered into a cooperative agreement with the California Department of Transportation to perform environmental phase services for preparation of the project report and environmental document for the Interstate 5/EI Toro Road Interchange Improvement Project. Federal authorization for funding has been provided, and the California Department of Transportation is ready to begin environmental phase services.

Recommendation

Receive and file as an information item.

Discussion Items

16. Interstate 405 Improvement Project Update

Jeff Mills/James G. Beil

Overview

Staff will provide an update on the Interstate 405 Improvement Project.



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17. 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.

18. Chief Executive Officer's Report

19. Directors' Reports

20. Closed Session

There are no Closed Session items scheduled.

21. Orange County Transportation Authority Fiscal Year 2017-18 Budget Workshop

Victor Velasquez/Andrew Oftelie

Overview

Review the Fiscal Year 2017-18 Budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors' meeting on May 8, 2017.

22. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, May 22, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.