



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, January 28, 2019 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 Mark Murphy



BOARD AGENDA

Special Calendar

Orange County Transportation Authority Special Calendar Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for January 2019

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2019-001, 2019-002, and 2019-003 to Linda Roundtree, Coach Operator; Michael O'Regan, Maintenance; and Dustin Sifford, Administration, as Employees of the Month for January 2019.

2. 2019 Orange County Transportation Authority Board of Directors Strategic Initiatives

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 from the Board of Directors. This report summarizes the Orange County Transportation Authority Board of Directors Strategic Initiatives for calendar year 2019. The Board of Directors 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 2019.

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

Approval of the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of January 14, 2019.



BOARD AGENDA

4. Approval of 2019 Orange County Transportation Authority Board Committees and External Agencies' Assignments

Laurena Weinert/Kenneth Phipps

Overview

The recommended 2019 Board Member assignments for the Orange County Transportation Authority Board Committees and external agencies are presented for the Board of Directors' approval and consideration.

Recommendations

- A. Approve the Chairman's assignments for the 2019 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 2019 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 Southern California Regional Rail Authority.

5. Fiscal Year 2017-18 Annual Financial and Agreed-Upon Procedures Reports

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 2017-18. 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.



BOARD AGENDA**5. (Continued)****Recommendation**

Receive and file the fiscal year 2017-18 annual financial statement audits and agreed-upon procedures reports as information items.

6. Fiscal Year 2018-19 Internal Audit Plan, Second Quarter Update

Janet Sutter

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan on August 27, 2018. This update is for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan as an information item.

7. Selection of Consultant to Conduct Independent Annual Financial Auditing Services

Janet Sutter

Overview

On September 24, 2018, the Board of Directors authorized the release of a request for proposals for an independent public accounting firm to perform annual financial and compliance audits and agreed-upon procedures reviews of the Orange County Transportation Authority and related agencies for the fiscal years ending June 30, 2019, 2020, and 2021. Proposals were received and evaluated in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested to select an independent public accounting firm to perform independent annual financial auditing services.



BOARD AGENDA**7. (Continued)****Recommendations**

- A. Approve the selection of Crowe, LLP, as the firm to provide independent annual financial auditing services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1911 between the Orange County Transportation Authority and Crowe, LLP, in the amount of \$888,300, to provide independent annual financial auditing services for an initial three-year term through March 31, 2022, and one, two-year option term.

8. Fiscal Year 2017-18 Auditor's Communication to Those Charged with Governance

Janet Sutter

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on its Comprehensive Annual Financial Report and various fund financial statements. Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, conducted the annual audit of the Orange County Transportation Authority's financial statements for fiscal year 2017-18, and, 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.



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9. Rail Right-of-Way Maintenance, Internal Audit Report No. 19-502
Gerald Dunning/Janet Sutter

Overview

The Internal Audit Department has completed an audit of rail right-of-way maintenance along the Orange and Olive Subdivisions owned by the Orange County Transportation Authority. Based on the audit, the right-of-way maintenance program is adequate, as are oversight controls and contract compliance related to Agreement No. C-4-1361 with Joshua Grading & Excavating, Incorporated, for maintenance work along the right-of-way.

Recommendation

Receive and file Rail Right-of-Way Maintenance, Internal Audit Report No. 19-502, as an information item.

10. State Legislative Status Report
Kristin Essner/Lance M. Larson

Overview

An amendment is proposed to the Orange County Transportation Authority's 2019-20 State Legislative Platform to co-sponsor legislation related to toll enforcement policies. An update is provided regarding the Innovative Clean Transit regulation adopted by the California Air Resources Board, which requires transit agencies to purchase zero-emission buses. An overview is provided of a Legislative Analyst Office report and recommendations on addressing climate change in transportation planning and programs. A verbal update will be provided on the Governor's proposed Fiscal Year 2019-20 state budget.

Recommendation

Amend the 2019-20 Orange County Transportation Authority State Legislative Platform to co-sponsor legislation to clarify roles and responsibilities related to toll enforcement policies to allow for interoperability between toll facilities while affirming user privacy protections.



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11. Federal Legislative Status Report

Dustin J. Sifford/Lance M. Larson

Overview

An update is provided on the 2019 appropriations process and nominations to the Department of Transportation. A summary of a hearing on surface transportation reauthorization is also included.

Recommendation

Receive and file as an information item.

12. Fourth Quarter 2018 Investment and Debt Report

Sean Murdock/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 2018, 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.

13. Second Quarter Fiscal Year 2018-19 Procurement Status Report

Virginia Abadessa/Andrew Oftelie

Overview

The second quarter procurement status report summarizes the procurement activities for information purposes to the Orange County Transportation Authority Board of Directors. This report focuses on procurement activity from October 1 through December 31, 2018, that was approved by the Board of Directors during this period. The second quarter procurement status report also projects future procurement activity for the third quarter as identified in the fiscal year 2018-19 budget.



BOARD AGENDA**13. (Continued)****Recommendation**

Receive and file as an information item.

14. 91 Express Lanes Property Insurance Renewal

Al Gorski/Maggie McJilton

Overview

The Orange County Transportation Authority currently has a primary property and flood insurance policy for the 91 Express Lanes with Zurich American Insurance Company, and seven earthquake insurance policies with Empire Indemnity Insurance Company, Endurance American Insurance Company, Everest Indemnity Insurance Company, General Security Indemnity Company of Arizona, Hudson Specialty Insurance Company, Princeton Excess and Surplus Lines Insurance Company, and QBE Specialty Insurance Company which will expire on March 1, 2019.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A41172, in the amount of \$500,000, to Marsh USA, Inc., to purchase the 91 Express Lanes' property, flood, and earthquake insurance on behalf of the Orange County Transportation Authority for the policy period of March 1, 2019 to March 1, 2020.

Orange County Local Transportation Authority Consent Calendar Matters**15. Sale and Transfer of Property Located in the City of Anaheim from the Orange County Transportation Authority to the Orange County Transportation District**

Joe Gallardo/James G. Beil

Overview

Property owned by the Orange County Transportation Authority was identified as a preferred site for the proposed Transit Security and Operations Center, which is required to be built on property owned by the Orange County Transportation District. Board of Directors' approval is requested to authorize the sale and transfer of the property rights.



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15. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute sale and transfer documents between the Orange County Transportation Authority and the Orange County Transportation District for Assessors Parcel Number 250-111-03, located in the City of Anaheim.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

16. Issuance of Series 2019 Measure M2 Bonds, Measure M2 Financing Documents, and Trustee Services Amendment

Sean Murdock/Andrew Oftelie

Overview

The Orange County Local Transportation Authority Board of Directors has adopted a Plan of Finance for the Interstate 405 Improvement Project that requires the issuance of approximately \$400 million of Measure M2 sales tax revenue bonds in 2019. In addition, there is \$43.5 million of outstanding M2 bonds that can be refinanced at this time at a cost savings. Final approval for the issuance of the bonds and the financing documents for the proposed transaction are presented for review and approval.

Recommendations

- A. Approve the issuance and sale of the Orange County Local Transportation Authority Measure M2 Sales Tax Revenue Bonds, Series 2019.
- B. Approve the refinancing of \$43.5 million of the outstanding 2010 Series A Bonds, if market conditions are favorable and Orange County Transportation Authority realizes debt service savings.



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16. (Continued)

- C. Authorize the Chairman, Vice-Chairman, Chief Executive Officer, Executive Director of Finance and Administration/Treasurer, and Director of Finance and Administration of the Orange County Transportation Authority to sign all documents on behalf of the Orange County Local Transportation Authority.
- D. Adopt Resolution No. 2019-008 authorizing the Orange County Local Transportation Authority to proceed with the issuance and sale of up to \$450 million in Measure M2 Sales Tax Revenue Bonds and approve the required financing documents necessary for the Orange County Local Transportation Authority to proceed with the issuance and sale of Measure M2 sales tax revenue bonds.
- E. Approve a total of \$610,000 in cost of issuance expenses for bond counsel services, financial advisory services, rating fees, trustee services, and other miscellaneous expenses related to the issuance and sale of Series 2019 Measure M2 sales tax revenue bonds.
- F. Authorize the Chief Executive Officer to execute Amendment No. 1 to Purchase Order No. C-5-3790 between the Orange County Transportation Authority and the Bank of New York Mellon Trust Company, in the amount of \$8,500, to provide trustee services for the Orange County Local Transportation Authority Sales Tax Revenues Bonds. The total contract amount will be \$23,500.

Discussion Items

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.



BOARD AGENDA

18. Chief Executive Officer's Report

19. Directors' Reports

20. Closed Session

A Closed Session is scheduled for the following:

- A. Pursuant to Government Code Section 54956.9(a) – Conference with General Counsel – Existing Litigation; Ramos v. Orange County Transportation Authority, OCSC Case No. 30-2017-00957255.
- B. Pursuant to Government Code Section 54956.9(a) – Conference with General Counsel – Existing Litigation; In Re: Toll Roads Litigation, United States District Court – Central Division Case No. 8:16-CV-00262-AG.
- C. Pursuant to Government Code Section 54956.9(a) – Conference with General Counsel – Existing Litigation; Sanket Vinod Thakur v. Orange County Transportation Authority, et al., SDSC Case No. 37-2018-00059425.

21. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, February 11, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.