

Orange County Transportation Authority Board Meeting
Orange County Transportation Authority Headquarters
Board Room - Conference Room 07-08
550 South Main Street
Orange, California
Monday, April 9, 2018 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 Chairwoman 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 Jones

Pledge of Allegiance

Director Donchak





Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 1 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

1. Approval of Minutes

Approval of the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of March 26, 2018.

2. Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504 Janet Sutter

Overview

The Internal Audit Department has completed an audit of the cooperative agreement with the Southern California Regional Rail Authority for the Control Point Fourth Project. The purpose of the audit was to assess controls in place to ensure compliance with agreement terms, policies, and procedures. Based on the audit, controls are generally adequate; however, several weaknesses have been identified in the process for selecting contractors for these projects. As a result, the Internal Audit Department recommended that Orange County Transportation Authority project management staff implement oversight controls to determine that contractors are procured in compliance with guidelines and best practices.

Recommendation

Direct staff to implement one recommendation provided in the Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504.



3. Fiscal Year 2017-18 Second Quarter Budget Status Report Anthony Baruch/Andrew Oftelie

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2017-18 budget. This report summarizes the material variances between the budget and actual revenue and expenses through the second quarter of fiscal year 2017-18.

Recommendation

Receive and file as an information item.

4. Amendment to Agreement for the Implementation of the Federal Disadvantaged Business Enterprise Program

Virginia Abadessa/Andrew Oftelie

Overview

On July 28, 2014, the Board of Directors approved an agreement with Padilla & Associates, Inc., to provide assistance to the Orange County Transportation Authority in administering the federally required Disadvantaged Business Enterprise Program. An amendment to the existing contract is necessary to exercise the one-year option term of the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1514 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$150,000, to exercise the one-year option term of the agreement through August 31, 2019, to provide assistance in administering the federal Disadvantaged Business Enterprise Program. This will increase the maximum obligation of the agreement to a total contract value of \$1,050,000.



5. Amendments to the Orange County Transportation Authority Drug and Alcohol Policy Manual

Matthew DesRosier/Maggie McJilton

Overview

In accordance with the Drug and Alcohol Policy (# HROD-HR-420.17DRUG), revisions to the Drug and Alcohol Policy Manual are subject to management review and the Board of Directors' approval.

Recommendations

- A. Authorize the Chief Executive Officer or designee to remove the requirement for drug and alcohol testing at the time of an employee's Department of Transportation medical recertification and/or physical examinations (Manual Sections 5.5B and 6.2C).
- B. Authorize the Chief Executive Officer or designee to increase the Orange County Transportation Authority's random alcohol testing rate from 20 percent to 50 percent annually for all safety-sensitive employees in order to emulate the current testing rates for drugs (Manual Section 5.5G Policy Section VIIA).
- C. Authorize the Chief Executive Officer or designee to remove the obsolete table of drug testing thresholds (Manual Section 5.4) and insert "drugs or classes of drugs to be tested and the applicable threshold levels for positive findings shall be determined by current Department of Transportation and Federal Transit Administration regulations."
- C. Authorize the Chief Executive Officer or designee to remove the Facilities Maintenance Department from the list of regulated safety-sensitive positions (Manual Section 9).



6. SB 1 (Chapter 5, Statues of 2017) Programs Update

Adriann Cardoso/Kia Mortazavi

Overview

SB 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, will provide an estimated \$52.5 billion for transportation purposes over the next ten years, with investments targeted towards fix-it-first purposes on local streets and roads, highways, transit operations and maintenance, capital investments, and active transportation. An update on the status and general requirements of key competitive programs are presented for review.

Recommendation

Receive and file as an information item.

7. 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 the active Master Plan of Arterial Highways amendments is also provided.

Recommendations

- A. Approve an amendment to the Master Plan of Arterial Highways for the following:
 - Reclassify Esperanza Road, between Imperial Highway and the Fairmont Boulevard Connector, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
 - Reclassify Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
 - Reclassify Los Patrones Parkway, between Chiquita Canyon Road to Cow Camp Road, from a primary (four-lane, divided) to secondary (four-lane, undivided) arterial; and



7. (Continued)

 Add Los Patrones Parkway, south of Oso Parkway to Chiquita Canyon Road, as a secondary (four-lane, undivided) arterial.

The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the County of Orange and City of Yorba Linda have amended their respective general plans and have complied with the requirements of the California Environmental Quality Act.

If the original 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 active Master Plan of Arterial Highways amendments.
- 8. Interstate 5 (Avenida Pico to San Diego County Line) Project Status Update Carolyn Mamaradlo/Kia Mortazavi

Overview

The Orange County Transportation Authority is developing a project study report/project development support document for potential improvements to Interstate 5, in San Clemente, from Avenida Pico to the San Diego County line. An initial project status update was provided in September 2017. At that meeting, the Board of Directors requested that staff return in early 2018 to provide an update, which is provided in this report.

Recommendation

Receive and file as an information item.



Orange County Local Transportation Authority Consent Calendar Matters

9. Orange County Local Transportation Authority Measure M2
Agreed-Upon Procedures Reports, Year Ended June 30, 2017
Janet Sutter

Overview

Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to eight cities, and Senior Mobility Program funds provided to six cities, for the fiscal year ended June 30, 2017. Observations were made relating to the classification of Maintenance of Effort expenditures, indirect charges not properly supported, errors in reporting of amounts on required activity reports and annual expenditure reports, and service contractor procurement.

Recommendations

- A. Direct staff to monitor implementation of recommendations by cities.
- B. Receive and file the Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2017, and the Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2017, as information items.
- 10. Agreement for Right-of-Way Clearance Services for the Interstate 5 Far North Widening Project in the City of Anaheim

 Joe Gallardo/James G. Beil

Overview

On January 10, 2018, the Orange County Transportation Authority issued an invitation for bids for right-of-way clearance services for the Interstate 5 Far North Widening Project in the City of Anaheim. 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.



10. (Continued)

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2115 between the Orange County Transportation Authority and OFRS, Inc., the lowest responsive, responsible bidder, in the amount of \$62,475, for right-of-way clearance services for the Interstate 5 Far North Widening Project in the City of Anaheim.

11. Amendment to Agreement for Additional Design Services for Interstate 5 Improvement Project from South of Alicia Parkway to El Toro Road

Niall Barrett/James G. Beil

Overview

On August 11, 2014, the Orange County Transportation Authority Board of Directors approved an agreement with TRC Solutions, Inc., for preparation of plans, specifications, and estimates for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road. An amendment to the existing agreement is required for additional design services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1426 between the Orange County Transportation Authority and TRC Solutions, Inc., in the amount of \$949,605, for additional design services for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$8,569,287.

12. 2018 State Transportation Improvement Program Update Ben Ku/Kia Mortazavi

Overview

On March 21, 2018, the California Transportation Commission approved the final 2018 State Transportation Improvement Program, which includes several changes to the Orange County Transportation Authority's State Transportation Improvement Program submittal. An update on the changes is provided.



12. (Continued)

Recommendations

- A. Authorize the use of up to \$7.372 million in Surface Transportation Block Grant funds for the Interstate 5 improvements from Interstate 405 to State Route 55.
- B. Authorize an exchange of Measure M2 funds between three segments of the Interstate 5 Improvement Project.
 - Decrease Measure M2 funds by \$11 million for the Interstate 5 improvements from Alicia Parkway to El Toro Road,
 - Increase Measure M2 funds by \$9.1 million for Interstate 5 improvements from State Route 73 to Oso Parkway, and
 - Add Measure M2 funds for \$1.9 million for the Interstate 5 improvements from State Route 73 to El Toro Road Landscaping.
- C. Direct staff to work with the California Transportation Commission to deliver projects based on the existing project schedules.
- 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.

13. Measure M2 Quarterly Progress Report for the Period of October 2017 Through December 2017

Tamara Warren/Kia Mortazavi

Overview

Staff has prepared a Measure M2 quarterly progress report for the period of October 2017 through December 2017, for review by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs, and will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.



14. Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia's Maintenance of Effort Benchmark

May Hout/Kia Mortazavi

Overview

The Orange County Transportation Authority Ordinance No. 3 includes eligibility requirements that local jurisdictions must satisfy in order to receive Measure M funds. The Measure M2 Eligibility Guidelines and the Countywide Pavement Management Plan Guidelines are used to guide local jurisdictions through eligibility requirements and submittal processes. Updates to these guidelines are presented for Board of Directors review and approval. A proposed minor adjustment to the maintenance of effort benchmark for the City of Placentia to align with final city general fund revenue figures is also presented for review and approval.

Recommendations

- A. Approve the fiscal year 2018-19 Measure M2 Eligibility Guidelines.
- B. Approve the proposed revisions to the Countywide Pavement Management Plan Guidelines.
- C. Approve the City of Placentia's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.





Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

15. 2018 Long-Range Transportation Plan Update

Greg Nord/Kia Mortazavi

Overview

The Long-Range Transportation Plan provides Orange County's program of projects for the multi-county Regional Transportation Plan, prepared by the Southern California Association of Governments. The plan also serves as a policy framework for future transportation investments in Orange County. Initial model results presented in February 2018, along with ongoing activity at the state and regional levels, suggest that it would be appropriate to consider including priced managed lanes within the Long-Range Transportation Plan. Initial model results for the priced managed lane scenario are presented below for consideration.

Recommendation

Direct staff to assume priced managed lanes within the Trend 2040 scenario, recognizing that further study, interagency coordination, and public outreach are required as part of future planning efforts.

Orange County Local Transportation Authority Regular Calendar Matters

16. Interstate 405 Improvement Project Update

Jeff Mills/James G. Beil

Overview

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. This report provides a project update.

Recommendation

Receive and file as an information item.





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 Chairwoman subject to the approval of the Board of Directors.

18. Chief Executive Officer's Report

19. Directors' Reports

20. Closed Session

A Closed Session will be held as follows:

- A. Pursuant to Government Code Section 54957(b) to evaluate the performance of the Chief Executive Officer, Darrell E. Johnson.
- B. Pursuant to Government Code Section 54957.6 to meet with the designated representative, Chairwoman Lisa A. Bartlett, regarding the compensation of the Chief Executive Officer.

21. Annual Review and Compensation Adjustment for Chief Executive Officer, Darrell E. Johnson

Darrell E. Johnson commenced service as the Orange County Transportation Authority's Chief Executive Officer on March 1, 2013. As part of this item, the Board of Directors will consider in open session the Chief Executive Officer's performance and will approve any adjustments to the Chief Executive Officer's Contract of Employment and compensation as deemed necessary by the Board of Directors.

22. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, April 23, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.

Minutes of the Orange County Transportation Authority Orange County Transit District Orange County Local Transportation Authority

Orange County Service Authority for Freeway Emergencies
Board of Directors Meeting

Call to Order

The March 26, 2018 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairwoman Bartlett at 9:03 a.m. at the OCTA Headquarters, 550 South Main Street, Board Room — Conference Room 07-08, Orange, California.

Roll Call

Following the Invocation and Pledge of Allegiance, the Clerk of the Board noted a quorum was present, with the following Directors in attendance:

Directors Present: Lisa A. Bartlett, Chairwoman

Tim Shaw, Vice Chairman

Laurie Davies Barbara Delgleize Lori Donchak

Michael Hennessey

Steve Jones Mark A. Murphy Richard Murphy

Al Murray Shawn Nelson Miguel Pulido Todd Spitzer Michelle Steel Tom Tait

Gregory T. Winterbottom

Adnan Maiah, Acting District Director

California Department of Transportation District 12

Directors Absent: Andrew Do

Also Present: Darrell E. Johnson, Chief Executive Officer

Ken Phipps, Deputy Chief Executive Officer

Laurena Weinert, Clerk of the Board Olga Prado, Assistant Clerk of the Board

James Donich, General Counsel

Members of the Press and the General Public

Special Calendar

Orange County Transportation Authority Special Calendar Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for March 2018

Darrell E. Johnson, Chief Executive Officer (CEO), presented OCTA Resolutions of Appreciation Nos. 2018-047 and 2018-049 to Julio Giraldo, Coach Operator, and Lydia Bilynsky, Administration, as Employees of the Month for March 2018.

Patrick Dawes, Maintenance, March Employee of the Month, was not available and will be recognized at a future Board of Directors (Board) meeting.

Orange County Local Transportation Authority Special Calendar Matters

2. Adopt Resolutions of Necessity for the Interstate 405 Improvement Project Between State Route 73 and Interstate 605

James Donich, General Counsel, opened with comments and noted for the record that 12 affirmative votes are needed to pass the proposed Resolutions of Necessity (RON).

Chairwoman Bartlett opened the public hearing, and Joe Gallardo, Manager, Real Property, Capital Programs, provided a PowerPoint presentation for this item as follows:

- Interstate 405 Improvement Project Proposed Improvements and RON Locations:
- RON No. 2018-027 Brown;
- RON No. 2018-028 Cabrera;
- RON No. 2018-029 Alvarez;
- RON No. 2018-030 Carty Butler;
- RON No. 2018-031 Price;
- RON No. 2018-032 Hunter Family Trust;
- RON No. 2018-033 Hammond;
- RON No. 2018-034 Trautman;
- RON No. 2018-035 George Family Trust;
- RON No. 2018-036 Prowse;
- RON No. 2018-037 Mikuleky;
- RON No. 2018-038 Bradley;
- RON No. 2018-039 DK-USA, LLC;
- RON No. 2018-040 Douglas R. Hughes;

- RON No. 2018-042 Shapell Socal Rental Properties, LLC;
- RON No. 2018-043 Westminster Mall, LLC
 - Due to a tentative agreement, at this time, OCTA staff does not recommend moving forward with RON 2018-043;
- RON No. 2018-044 Seritage SRC Finance, LLC;
- RON No. 2018-045 Smolin Family Trust;
- RON No. 2018-046 Golden Westminster Investments, LLC; and
- Four Requirements to be Considered to Adopt Resolutions.

A discussion ensued regarding:

- The RONs in the City of Costa Mesa have a soundwall and landscaping with no pool or structures behind the condominiums.
- For RON No. 2018-042, two parking stalls will be removed. Also, as part
 of the appraisal process, the property owners were provided a plan that
 allows for permanent parking stalls if re-striped.
- For RON No. 2018-043, due to a tentative agreement, at this time, OCTA staff recommends not to approve the RON.
- Materials and letters from two law firms that requested to provide public comments were provided to the Board and placed at the dais.
- The letter from the law firm for RONs at 18480 Pacific Street, Fountain Valley and Mesa Verde Villas objects to the time constraints and inadequate information, and requested for additional time.
- James Donich, General Counsel, stated that all parties have been granted the statutory timelines for the offers and objections. In addition, he reported that the objection letters have been reviewed, the Board was provided confidential memos about the objections, and the objections would not hinder the Board from adopting the RONs.

Chairwoman Bartlett opened the floor for public comments, and there were requests to speak from the following members of the public:

 Michael Wallenstein, Wolf Wallenstein & Abrams, PC, representing the Seritage SRC Finance LLC - RON No. 2018-044, referenced the letter and materials provided to the Board at the dais.

Mr. Wallenstein stated there is no opposition to the project; however, the issue is with the offer for a temporary construction easement, which will leave an eight foot berme.

Mr. Wallenstein opposes the RON, and stated that 36 percent of the property value was offered, and pursuant to eminent domain law, a full fair market value of the property should be offered.

A discussion ensued regarding RON No. 2018-044 as follows:

- The green colored footprint shown on Slide 11 of the PowerPoint, after condition, will look similar to today, and only a portion of the property will be raised as part of the accessway.
- The property is an economic unit, which can be used, and the offer considered damages and compensation.
- Per Mr. Donich, General Counsel, the property was analyzed, a full take of the property was not warranted, and the arguments presented would not hinder the Board from taking action.
- In May 2016, the discussions regarding this property started.
- If the Board approves this RON, there is an opportunity to negotiate a resolution.
- The adjacent property will remain as it is today, and any damages to the adjacent property would be mitigated.
- Erin Naderi, Palmieri Tyler Attorneys at Law, representing the Mesa Verde Villas Homeowners Association (Mesa Verde Villas) – RON Nos. 2018-027 through 2018-038.

Ms. Naderi stated the objections as outlined in the letter and materials provided to the Board at the dais. She noted that the project plans are only 35 percent complete, OCTA failed to make a valid pre-condemnation offer, and the offers made do not comply with statutory requirements of eminent domain.

Ms. Naderi also stated that the condominium properties were appraised as vacant land, and the appraisal did not analyze severance damages in accordance with the eminent domain law.

Ms. Naderi also represents property 18480 Pacific Street (Pacific), Fountain Valley – RON No. 2018-039, and the Board was provided the second letter and materials from the firm, and Ms. Naderi stated the following:

- There are similar objections as noted for the Mesa Verde Villas condominium complex.
- The property will have a retaining wall (wall), and no information was provided on the design of the wall.
- The 3.5 feet wide temporary construction easement is unrealistic and burdens the property owner.
- There was not a valid pre-condemnation offer pursuant to statutory requirements, and the takings were valued as though the property is vacant.

A discussion ensued as follows:

- OCTA procures qualified appraisals and has taken into consideration compensation in accordance with the government code for the Mesa Verde Villas condominium complex.
- Mr. Donich, General Counsel, stated that the objections made by Ms. Naderi are compensation arguments.
- Mr. Johnson, CEO, stated that OCTA has 167 property agreements in place, which is nearly 60 percent of the properties.
- Jeff Mills, Program Manager, reported that last week, it was clarified with the attorneys that design is currently at 65 percent.
- For RON No. 2018-039, Mr. Mills reported that the retaining wall will be two feet high, the location was established in the project plans and right-of-way footprint, does not impact access, and there is no loss of parking.
- Going forward, the Board requested that staff provide a detailed visual of the proposed RON.
- 3. <u>John Peterson</u>, Attorney, representing Daniel Banie-Esraili for the Golden Westminster Investments, LCC RON No. 2018-046. Mr. Peterson requested a continuance of this RON to the next Board meeting, because Mr. Banie-Esraili and his partners are in discussions with OCTA regarding access to the driveway during construction.
- 4. <u>Doug Digison</u>, 99 Cents Only Stores representative, referenced RON No. 2018-046. Mr. Digison stated there are concerns with big rig truck circulation within the parking lot and access to the loading area for 15 deliveries per week. Mr. Digison also stated safety concerns for the customer's vehicles and any persons accessing the driveway. He asked for a continuance and an opportunity to work with OCTA to mitigate the temporary construction easement.

A discussion ensued regarding RON No. 2018-046 as follows:

- The green area noted on Slide 13 of the PowerPoint has an existing driveway, with landscaping and irrigation.
- The driveway will be regraded and raised because Goldenwest Street is being raised higher.
- The driveway will be built in halves, and there will be access during construction.
- The big rig trucks will have access and will be able to queue up.

5. <u>Douglas R. Hughes</u> representing Douglas R. Hughes – RON No. 2018-040 as noted on Slide 8 of the PowerPoint. Mr. Hughes stated that he has worked for years to bring the properties together, and now, the process is on hold because OCTA wants to rent a portion of the property to stage the construction.

Mr. Hughes prefers to rent the property for two years with a two-year option. He also asked about the retaining wall height and if the water and sewer drainage will be on his property.

A discussion ensued regarding RON No. 2018-040 as follows:

- The green area noted on Slide 8 of the PowerPoint is a four-year temporary construction easement rental. The contractor is limited to a two-year construction timeline within four years.
- The retaining wall will be zero to five feet in height.
- Drainage will be captured on Brookhurst Street and will not travel onto the property.
- There is no temporary construction easement on the freeway side of the property as it is not necessary for the project.

A motion was made by Director Pulido, seconded by Director Donchak, and declared passed by those present, to close the hearing. Directors Nelson and Spitzer were not present to vote on the closing of the hearing.

A motion was made by Director Hennessey, to approve staff recommendations and continue RON No. 2018-046. For clarification, the motion was amended to adopt staff recommendations and continue RON No. 2018-043, and continue to the April 9, 2018 Board meeting, RON No. 2018-046.

The amended motion was made by Director Hennessey, seconded by Director Winterbottom, and declared passed by those present to, adopt Resolution of Necessity Nos. 2018-027, 2018-028, 2018-029, 2018-030, 2018-031, 2018-032, 2018-033, 2018-034, 2018-035, 2018-036, 2018-037, 2018-038, 2018-039, 2018-040, 2018-042, 2018-044, and 2018-045, and authorize and direct General Counsel to prepare, commence, and prosecute a proceeding in eminent domain for the purpose of acquiring necessary right-of-way and real property interests for the Interstate 405 Improvement Project between State Route 73 and Interstate 605, as well as continue Resolution of Necessity No. 2018-043, and continue to the April 9, 2018 Board of Directors meeting, Resolution of Necessity No. 2018-046.

Director Tait did not participate, due to a potential conflict of interest.

Director Spitzer voted in opposition, and Director Nelson was not present to vote.

Consent Calendar (Items 3 through 8)

Chairwoman announced that she will not participate on Item 7, due to a Levine Act conflict of interest, and Vice Chairman Shaw will preside over Item 7.

Orange County Transportation Authority Consent Calendar Matters

3. Approval of Minutes

Director Spitzer pulled this item and referenced the handout placed at the dais with staff's suggested amendments per his request to the March 12, 2018 Board meeting minutes. Director Spitzer referenced Page 8 of the March 12, 2018 Board minutes to be amended as follows:

"A motion was made by Director Murray, seconded by Director Delgleize, for the following recommendations:

- A. Approve the selection of Keolis Transit Services, LLC, as the firm to provide operation and maintenance services for the micro-transit pilot program.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2052 between the Orange County Transportation Authority and Keolis Transit Services, LLC, in the amount of \$1,150,000, for a one-year initial term from July 1, 2018 through June 30, 2019, with two, one-year option terms to provide operation and maintenance services for the micro-transit pilot program.

It was announced that Chairwoman Bartlett and Directors M. Murphy and Steel would not participate due to the Levine Act. <u>Directors Spitzer</u>, M. Murphy, and Steel chose not to participate due to a lack of information regarding parent and principal company relationships with the recommended firm that they were unable to research prior to the Board meeting. Due to this lack of information and out of an abundance of caution, <u>Directors Spitzer</u>, M. Murphy, and Steel chose not to continue to participate on the item.

Director Pulido was not present to vote.

An additional discussion ensued regarding the Levine Act, and the above vote was null and void.

Chairwoman Bartlett turned the meeting over to Vice Chairman Shaw, and Vice Chairman Shaw announced that there was a public comment request from Larry Slagle, and Mr. Slagle declined to address the Board.

A motion was made by Director Davies, seconded by Director Hennessey, and declared passed by those participating, to continue this item to the March 26, 2018 Board meeting.

Chairwoman Bartlett and Directors M. Murphy, Spitzer, and Steel did not participate, due to the Levine Act.

Director Pulido was not present to vote."

After the discussion, a motion was made by Director Spitzer, seconded by Director M. Murphy, and declared passed by those present, to approve the amended Orange County Transportation Authority and affiliated agencies' regular meeting minutes of March 12, 2018.

Director Nelson was not present to vote on this item.

4. State Legislative Status Report

A motion was made by Director Murray, seconded by Director Davies, and declared passed by those present, to:

- A. Adopt an OPPOSE position on AB 1759 (McCarty, D-Sacramento), which would withhold local street and road money for any local government unable to meet their Regional Housing Need Allocation requirements.
- B. Adopt a SUPPORT position on AB 1905 (Grayson, D-Concord), which would prevent a transportation project from being stayed or enjoined under the California Environmental Quality Act if the project is included in a region's sustainable communities strategy.

Director Nelson was not present to vote on this item.

5. Federal Legislative Status Report

A motion was made by Director Murray, seconded by Director Davies, and declared passed by those present, to:

- A. Adopt the proposed Principles for a Potential Federal Infrastructure Package and direct staff to take necessary and appropriate actions in furtherance of these goals in Washington, D.C.
- B. Adopt a SUPPORT position on H.R. 5003 (Hultgren, R-IL 14), which would reinstate the tax incentive for advance refunding bonds.

Director Nelson was not present to vote on this item.

Orange County Transit District Consent Calendar Matters

6. Agreement for Fullerton Park and Ride Minor Rehabilitation

A motion was made by Director Murray, seconded by Director Davies, and declared passed by those present, to:

- A. Find Calpromax Engineering, Inc., the apparent low bidder, as non-responsive, due to failure to meet the federal requirement for Disadvantaged Business Enterprise participation.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2066 between the Orange County Transportation Authority and RSB Group, Inc., the lowest responsive, responsible bidder, in the amount of \$854,000, for the Fullerton Park and Ride minor rehabilitation.

Director Nelson was not present to vote on this item.

7. Agreement for the Operation and Maintenance of a Micro-Transit Pilot Program

This item was pulled for a separate vote, and Vice Chairman Shaw presided over this item. Chairwoman Bartlett announced at the opening of the Consent Calendar that she would not be participating due to the Levine Act, and Director Steel announced that she would not be participating.

A motion was made by Director Donchak, seconded by Director Davies, and declared passed by those present, to:

- A. Approve the selection of Keolis Transit Services, LLC, as the firm to provide operation and maintenance services for the micro-transit pilot program.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2052 between the Orange County Transportation Authority and Keolis Transit Services, LLC, in the amount of \$1,150,000, for a one-year initial term from July 1, 2018 through June 30, 2019, with two, one-year option terms to provide operation and maintenance services for the micro-transit pilot program.

Chairwoman Bartlett did not participate due to the Levine Act.

Director Steel did not participate.

Orange County Local Transportation Authority Consent Calendar Matters

8. Approval to Release Request for Proposals for Program Management Consultant Services for the Regional Rail Programs

A motion was made by Director Murray, seconded by Director Davies, and declared passed by those present, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 8-1512 for the selection of a consultant to provide program management services for regional rail programs.
- B. Approve the release of Request for Proposals 8-1512 for program management consultant services for the Orange County Transportation Authority's regional rail programs.

Director Nelson was not present to vote on this item.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

9. OC Streetcar Project Update

Darrell E. Johnson, CEO, provided opening comments and introduced Jim Beil, Executive Director of Capital Projects, and Lance Larson, Executive Director of External Affairs.

Mr. Beil reported on the following:

- Federal Transit Administration (FTA) Full Funding Grant Agreement.
- The OC Streetcar Project (Project) delivery has significantly progressed.
- The Board approved release of the request for proposals for the production and delivery of the Project's vehicles.
- Item 10 on the agenda is seeking Board approval to negotiate and execute a contract for the Project's vehicles.
- The Board approved releasing an invitation for bids for construction to pre-qualified contractors.
- Construction bids are scheduled to open on April 27, 2018, and the on June 25, 2018, the contract award recommendations will come to the Board.
- The construction and vehicle schedules noted in Attachment A of the Staff Report were highlighted.

Mr. Larson reported on the following:

- On Friday, March 23rd, Congress voted on 12 appropriation bills as one package which was passed by the Senate and House, as well as signed by President Trump.
- Congress funded the FTA at \$13.5 billion, and within the New Starts Capital Investment Grant Program (New Starts), \$2.6 billion was funded, with \$1.5 billion going to the New Starts program.
- The Board was provided a handout at the dais that includes the House Appropriations Committee Chairman's overview of the transportation section of "H.R. 1625".

A discussion ensued as follows:

- To receive the New Starts funding, OCTA completed every technical and statutory requirement.
- Chairwoman Bartlett asked staff to extend thanks to Congressman Mario Diaz-Balart (R-Florida 25th District) who came to Orange County to review the Project.
- Once the appropriations are in place, the Full Funding Grant Agreement will be approximately a 90-day process.
- The FTA granted OCTA pre-award authority for the streetcar vehicles procurement.
- Transit Committee Chairman Murray reported that the Transit Committee had lengthy discussions regarding this item and Item 10 on the Board Agenda. He stated that the schedules referenced in Attachment A of the Staff Report are short and critical in nature. He also thanked staff for the presentation.
- Receiving potential funding from the State is contingent upon the federal funding.

No action was needed for this receive and file information item.

10. Approval to Award Contract for Manufacturing and Delivery of Vehicles for the OC Streetcar Project

Darrell E. Johnson, CEO, provided opening comments and introduced Kelly Hart, Project Manager of Rail Programs and Facilities Engineering.

Ms. Hart provided a PowerPoint presentation for this item as follows:

- Background;
- Vehicle Contract Scope;
- Vehicle Requirements;
- Vehicle Procurement;
- Evaluation Process;
- Evaluation Score Best and Final Offer (BAFO) Results;
- Cost and Price Comparison BAFO;
- Proposed Vehicle;
- S70 Vehicles Access:
- 70 Percent Low Floor Vehicle:
- Vehicle and Station Branding;
- Branding Process; and
- Recommendations.

A discussion ensued regarding:

- Transit Committee Chairman Murray reported that the Transit Committee discussed this item and the timeframes are critical. He thanked Director Winterbottom for his input on the Americans with Disabilities Act requirements for the streetcar vehicles.
- OCTA has, in writing from the FTA, pre-award authority for the vehicle procurement, and the best practice is to have an option included in the procurement of vehicles.
- The option would need to be exercised in seven years, and OCTA will use two years, which leaves five years to exercise the option. In addition, OCTA is not locked into a long-term vendor.
- The eight vehicles to be received in June 2020, for the first tranche, are based on the FTA ridership forecast.
- OCTA is currently escalating four percent per year for transportation projects.
- OCTA believes it will obtain federal funding.
- Approximately two years ago, the Board directed staff to develop a contingency plan that included Measure M2 and Congestion Mitigation and Air Quality Program funds.
- OCTA has been in conversations with the Secretary of Transportation in California to shift the cap-and-trade funds from the construction phase of the project to the vehicle-award contract.

- OCTA needs to negotiate the vehicle contract, and the Notice to Proceed would need to occur on or before June 4, 2018.
- Director Tait opposes this item and feels it is extremely expensive to move riders outside of the OCTA transit dependent riders.
- Director Tait urged the Board to vote no or at least hold off on the vote for this item, to review the ridership numbers, and consider the riders who will not be using the bus system because of the money being spent on the streetcar project.
- OC Bus 360° Program reviews addressing community ridership needs, and OCTA spends \$365 million per year on the bus system.
- OCTA currently operates approximately 550 vehicles and does not include the paratransit vehicles.
- In order for OCTA to take advantage of the vehicle price, there needs be an approved expansion to the system for the additional vehicles option.
- Virginia Abadessa, Director of Contracts Administration and Materials Management, reconfirmed the following:
 - With the bid of this procurement, there is a seven-year option.
 - As OCTA negotiates and executes the contract, the blanks in the draft agreement will be filled in, and the contract time period was explained.
 - The agreement has an optional vehicle price section and notes the option price is not locked in. The option price is based on a set of escalator factors, and could be more or could be less.
 - As the negotiations finalizes, the contract will list all of the spare parts and vehicles prices.
- Director Spitzer stated that it would be helpful to know the costs to extend the option.
- Streetcar vehicle life is about 20 years with opportunities for rehabilitation and overhaul.
- Chairwoman Bartlett requested that the contract include language for OCTA to obtain the best price whether it drops because of technology changes and manufacturing costs, as well as protect OCTA on the escalation factors.
- Ms. Abadessa also stated the following:
 - Chairwoman's request could be included in the final contract.
 - Before deciding on whether to take the option, OCTA would review the prices and if changed dramatically, could chose not to take the option and instead rebid.
- The contract's warranty time period for spare parts inventoried, installed, and what voids the warranty were highlighted. There are implications when getting one brand.
- As part of the overall project development, the operations and maintenance costs were developed and submitted to the FTA.

- The financial models for this project have been presented to the Board.
- Next steps are to release the request for proposals for the operations and maintenance contracting per the project's budget.
- Director Donchak requested that when this item returns to the Board in June/July 2018, staff provide visuals of the S70 vehicles used by the eight cities noted in the Staff Report, along with the City of Tucson for consideration of the OC Streetcar brand identity.
- This project has potential long-term connections to the northwest portion of Orange County and Los Angeles County systems.
- In 2028, the Olympics will be held in Los Angeles, and transportation options will be needed.
- This item is a historic moment that will provide transit options.

A motion was made by Director Murray, seconded by Director Pulido, and declared passed by those present, to:

- A. Approve the selection of Siemens Industries, Inc., as the firm to provide eight streetcar vehicles contingent upon successful completion of a pre-award audit to confirm compliance with federal Buy America requirements.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-6-1445 between the Orange County Transportation Authority and Siemens Industries, Inc., in the amount of \$51,527,520, for the purchase of eight streetcar vehicles, spare parts, and tools, with an option to purchase up to ten additional streetcar vehicles and spare parts.

Directors Spitzer and Tait voted in opposition of this item.

Discussion Items

11. Public Comments

There were no public comments.

12. Chief Executive Officer's Report

Darrell E. Johnson, CEO, reported on the following:

 Last week, the California Transportation Commission (CTC) held its' monthly Board meeting in OCTA's Board Room, and this is the first time OCTA hosted the CTC Board meeting.

- Last week, Chairwoman Bartlett, along with himself, provided an overview of OCTA and Orange County to the CTC. In addition, at the CTC meeting, the Board took action on the State Transportation Improvement Program Road and Maintenance Rehabilitation Program, which allows OCTA to keep a number of OCTA's projects on schedule and includes the Interstate 5 between the State Route 73 and El Toro Road project.
- At the last OCTA Board meeting, the release for the environmental cleanup program Tier I call for projects was approved by the Board. In addition, the Board requested OCTA hold a workshop for the call for projects, which is scheduled for 1:30 p.m. on March 27th at the OCTA Headquarters. The call for projects applications are due no later than 5:00 p.m., Friday, May 18th.
- Interstate 5 South County Improvement Project is open to traffic, and on Thursday, March 29th at 10:00 a.m., OCTA will host an event to commemorate the completion of this project. The event will take place at the Outlets at San Clemente. Chairwoman Bartlett and Director Donchak will participate at the event, and the Board is invited to attend.

13. Directors' Reports

Chairwoman Bartlett reported that, she, and Directors Davies and Donchak travel the Interstate 5 to south Orange County and with each additional opening of the carpool lane, traffic flow has improved.

14. Closed Session

A Closed Session was held for the following:

- A. Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation. Evan Weiss, et al. v. The People of the State of California, By and Through Its Department of Transportation, et al., OCSC Case No. 30-2012-00605637, Civ. No. G052735.
- B. Pursuant to Government Code Section 54956.9(d)(1) Conference with General Counsel Existing Litigation. City of Seal Beach v. State of California Department of Transportation, et al., San Diego Superior Court Case No. 37-2016-00021062.

C. Pursuant to Government Code Section 54957.6 to discuss negotiations with Teamsters Local 952 regarding the coach operators. 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.

James Donich, General Counsel, reported that the Board met in Closed Session. Mr. Donich stated that pursuant to Closed Session letter "A", there is a reportable action that a motion was made by Director Winterbottom, seconded by Director Murray, with an unanimous 13 to 0 vote, to authorize General Counsel to seek review of the recent appellate court decision in this matter with the Supreme Court.

Directors Pulido, Spitzer, and Steel were not present for the Closed Session items.

15. Adjournment

The meeting adjourned at 11:34 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, April 9, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:	
	Laurena Weinert Clerk of the Board
Lisa A. Bartlett	





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Cooperative Agreement with Metrolink for the Control Point

Fourth Project, Internal Audit Report No. 18-504

Finance and Administration Committee Meeting of March 28, 2018

Present: Directors Hennessey, Jones, and R. Murphy Absent: Directors Do, Donchak, Spitzer, and Steel

Committee Vote

Due to lack of quorum, no action was taken on this item.

Staff Recommendation

Direct staff to implement one recommendation provided in the Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504.



March 28, 2018

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director

Internal Audit

Subject: Cooperative Agreement with Metrolink for the Control Point Fourth

Project, Internal Audit Report No. 18-504

Overview

The Internal Audit Department has completed an audit of the cooperative agreement with the Southern California Regional Rail Authority for the Control Point Fourth Project. The purpose of the audit was to assess controls in place to ensure compliance with agreement terms, policies, and procedures. Based on the audit, controls are generally adequate; however, several weaknesses have been identified in the process for selecting contractors for these projects. As a result, the Internal Audit Department recommended that Orange County Transportation Authority project management staff implement oversight controls to determine that contractors are procured in compliance with guidelines and best practices.

Recommendation

Direct staff to implement one recommendation provided in the Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504.

Background

The Control Point Fourth Project (Project) is a track and signal improvement on the Orange subdivision railroad in the City of Santa Ana. The Project consists of a new power turnout to the Union Pacific Railroad (UPRR) spur, replacing an existing hand-thrown turnout, and construction of a new power derail on the UPRR connecting track, as well as associated signal and communications modifications necessary for a control point at Fourth Street.

In 2012, Orange County Transportation Authority (OCTA) staff secured \$4 million in Federal Transit Administration (FTA) grant funds for construction of the Project. On July 29, 2016, OCTA entered into Cooperative Agreement No. C-6-1208 with the Southern California Regional Rail Authority (Metrolink) for the design and construction of the Project in an amount not to exceed \$3,971,200. Metrolink acts as the lead agency and utilizes existing, competitively procured on-call contractors for signal design, signal installation, and track construction. OCTA provides project management oversight and funds the Project through quarterly advances, based on cash flow projections.

Discussion

Contractors procured to perform design and engineering services and signal construction activities were selected by the Metrolink project manager without obtaining competitive proposals from all contractors on the on-call bench. In addition, several issues related to the procurement process for track construction were identified and reported in an audit by Metrolink's Internal Audit Department (Internal Audit) in October 2017, including violations of FTA guidelines. Metrolink Internal Audit recommended that OCTA project management staff review with Metrolink staff the process for procuring contractors for OCTA projects to ensure compliance with regulatory guidelines and best practices. Management agreed and indicated that staff will inquire of Metrolink as to the procurement process for future OCTA projects.

Summary

OCTA Internal Audit has completed an audit of the Cooperative Agreement with Metrolink for the Control Point Fourth Project.

Attachment

A. Cooperative Agreement with Metrolink for the Control Point Fourth Project, Internal Audit Report No. 18-504

Prepared by:

Janet Sutter Executive Director 714-560-5591

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Cooperative Agreement with Metrolink for the Control Point Fourth Project

Internal Audit Report No. 18-504

March 6, 2018



Performed by:

Gabriel Tang, CPA, Principal Internal Auditor

Janet Sutter, CIA, Executive Director

Distributed to:

James Beil, Executive Director, Capital Programs

Jennifer Bergener, Dinah Minteer

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT

Cooperative Agreement with Metrolink for the Control Point Fourth Project March 6, 2018

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ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT

Cooperative Agreement with Metrolink for the Control Point Fourth Project March 6, 2016

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the cooperative agreement with the Southern California Regional Rail Authority (Metrolink) for the Control Point Fourth Project (Project). The purpose of the audit was to assess controls in place to ensure compliance with agreement terms, policies, and procedures. Based on the audit, controls are generally adequate; however, several weaknesses have been identified in the process for selecting contractors for these projects. As a result, Internal Audit recommended that Orange County Transportation Authority (OCTA) project management staff implement oversight controls to determine that contractors are procured in compliance with guidelines and best practices.

Background

Control Point Fourth Project

The Project is a track and signal improvement on the OCTA-owned Orange subdivision railroad in the City of Santa Ana. The Project consists of a new power turnout to the Union Pacific Railroad (UPRR) spur, replacing an existing hand-thrown turnout, and construction of a new power derail on the UPRR connecting track, as well as associated signal and communications modifications necessary for a control point at Fourth Street. The Project provides for greater efficiency and reliability of passenger rail service on the main line by allowing the UPRR freight trains to access the spur track using an automated turnout.

In 2012, OCTA staff secured \$4 million in Federal Transit Administration (FTA) grant funds for construction of the Project. On July 29, 2016, OCTA entered into cooperative agreement no. C-6-1208 (Agreement) with Metrolink for the design and construction of the Project in an amount not to exceed \$3,971,200. Metrolink acts as the lead agency and utilizes existing, competitively procured on-call contractors for signal design, signal installation, and track construction. OCTA provides project management oversight and funds the Project through quarterly advances, based on cash flow projections. Advance requests are reviewed and approved in accordance with OCTA invoice review procedures. Expenditure reports, along with supporting invoices and other documentation, are reviewed by OCTA project controls staff and are forwarded to Grants Administration staff for submission to the FTA for reimbursement.

The Project is currently in construction and is expected to be completed in March 2018.

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT

Cooperative Agreement with Metrolink for the Control Point Fourth Project March 6, 2016

Objectives, Scope, and Methodology

The <u>objectives</u> were to assess and test controls to ensure compliance with the Agreement and OCTA policies and procedures.

The <u>methodology</u> consisted of identifying and testing of controls to monitor and report project status; review of contractor procurement files for evidence of compliance with federal requirements, policies, and procedures; review of the results of Metrolink Internal Audit report 2017-15-CA; testing of OCTA's review, approval, and processing of quarterly advance payment requests and drawdown invoice submissions for compliance with policies and procedures; and testing of grant reimbursement requests for completeness and timeliness.

The <u>scope</u> was limited to the Agreement and all related quarterly advance requests, submissions of expenditure documentation, and grant reimbursement requests through October 2017, as well as the current design and signal construction on-call benches and related Contract Task Orders (CTO) issued for the Project through June 2017. For expenditure testing, a judgmental sample of fifteen personnel charges were selected with a bias toward selecting multiple employees, for tracing to timesheets. Since the sample was non-statistical, any conclusions would be limited to the sample items tested.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT

Cooperative Agreement with Metrolink for the Control Point Fourth Project March 6, 2016

Audit Comment, Recommendation, and Management Response

Exercise Oversight of Contractor Procurements for OCTA Projects

Contractors procured to perform design and engineering services and signal construction activities were selected by the Metrolink project manager without obtaining competitive proposals from all contractors on the on-call bench.

Metrolink's operating procedures state that requests for proposals should be sent to multiple contractors so that project managers can make informed decisions as to which contractor to select. However, for the Project, the Metrolink project manager selected specific contractors directly from the on-call benches without obtaining competitive proposals.

In addition, several issues related to the procurement process for track construction were reported in an audit by Metrolink Internal Audit titled Contract Audit: Veolia Transportation Maintenance and Infrastructure, Inc (VTMI). The audit included review of the CTO issued for the Project and outlined several weaknesses and violation of FTA guidelines. The audit found that staff regularly issues time and materials CTO's, which are considered the least preferable strategy by the FTA, without documenting how this type of contract was determined to be most appropriate. Also, the CTO issued to VTMI for construction and rehabilitation work on the Project was not within the scope of work for the contract. Finally, the audit cited a lack of records of negotiation.

Recommendation 1:

Internal Audit recommends management review with Metrolink staff the process for procuring contractors for OCTA projects to ensure compliance with regulatory guidelines and best practices.

Management Response:

Management agrees with the recommendation. Metrolink should follow its internal policies and procedures to solicit requests for proposals to issue a CTO from their on-call bench of consultants or contractors to obtain competitive proposals. Additionally, as identified in an audit by Metrolink Internal Audit, Metrolink should document how a CTO is determined to be the most appropriate procurement method and include records of negotiation. Metrolink also needs to verify the proposed work is allowable in the scope of work for the contract. OCTA will follow-up with Metrolink on OCTA projects to inquire how services will be procurement prior to procurement activities.





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Fiscal Year 2017-18 Second Quarter Budget Status Report

Finance and Administration Committee Meeting of March 28, 2018

Present: Directors Hennessey, Jones, and R. Murphy Absent: Directors Do, Donchak, Spitzer, and Steel

Committee Vote

Due to lack of quorum, no action was taken on this item.

Staff Recommendation

Receive and file as an information item.

Staff Discussion

This item was pulled by staff, and Andrew Oftelie, Executive Director of Finance and Administration, reported that subsequent to the release of the staff report, OCTA received the true-up payment for sales tax revenue collections for the second quarter, and that the growth rates for the Local Transportation Authority and the Local Transportation Fund increased by 3.29 percent and 3.23 percent, respectively.



March 28, 2018

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Fiscal Year 2017-18 Second Quarter Budget Status Report

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2017-18 budget. This report summarizes the material variances between the budget and actual revenue and expenses through the second quarter of fiscal year 2017-18.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2017-18 Budget on June 12, 2017. The approved budget itemized the anticipated revenue and expenses necessary to deliver OCTA's transportation programs and projects.

The balanced budget as originally approved by the Board in June was \$1.29 billion. Sources of funds were comprised of \$1.06 billion in current FY revenue and \$232.6 million in use of prior year designations. Uses of funds were comprised of \$1.15 billion of current year expenditures and \$142.7 million of designations.

The Board has approved four amendments through the second quarter, increasing the expense budget by \$24.8 million. The first amendment was approved on September 25, 2017, to support the new upcoming Bravo! Bus Route 529, and increased the maximum obligation with New Flyer of America, Inc., by \$3.6 million, exercising an option to purchase six, 40-foot, low floor compressed natural gas buses wrapped with the Bravo! branding. The second amendment was approved on October 9, 2017, in the amount of \$1.9 million. The amendment was necessary to accommodate a contract change order with Bomel Construction Company, Inc., for the removal and disposal of

contaminated materials discovered at the construction site of the Metrolink parking structure at the Orange Transportation Center. A third amendment was approved by the Board on October 9, 2017, in the amount of \$6 million, to pay for a portion of OCTA's member contribution to Southern California Regional Rail Authority (SCRRA) in place of Federal Transit Administration (FTA) grant funds. When the Board originally approved the OCTA member contribution to SCRRA for Metrolink service, in an amount up to \$28.2 million, it included \$6 million of FTA grant funds to be drawn down directly by SCRRA. Subsequently, OCTA was notified by SCRRA that, due to the timeline of the FTA grant application and award process, they would not be able to utilize the \$6 million in the current FY. As a result, this budget amendment was necessary to supplant the FTA grant funds. A fourth amendment, approved by the Board on November 13, 2017, increased the expense budget by \$13.3 million to accommodate the purchase of ten hydrogen fuel cell electric buses. The purchase will be completed through a new contract with New Flyer of America, Inc. In total, these amendments increased the working budget to \$1.31 billion for the FY.

Discussion

Staff monitors and analyzes revenue and expenditures versus the working budget. The Quarterly Budget Status Report (Attachment A) provides a summary level overview of staffing levels and explanations for material budget-to-actual variances within each pertinent OCTA program. The OCTA programs included in Attachment A are Bus, Rail, 91 Express Lanes, Motorist Services, and Measure M2 (M2).

Total salaries and benefits underran the budget by \$4.9 million. This is primarily due to vacancies OCTA-wide. As a result, an underrun can be expected to continue throughout the year based on future net vacancies.

Bus program operating revenue underran by \$6.7 million due to the execution of an FTA operating assistance grant for bus preventative maintenance now expected to take place in the third quarter. Bus program operating expenses underran the budget by \$4 million, primarily due to staffing vacancies and paratransit services. Capital revenue and expenses underran the budget by \$2.2 million and \$2.1 million, respectively. The variance is associated with a project to remove liquefied natural gas underground storage tanks at the Anaheim and Garden Grove bus bases.

The Rail Program operating revenue was in line with the budget, coming within one percent. Operating expenses were \$1.3 million greater than the budget, primarily due to the earlier-than-anticipated third quarter Metrolink operating subsidy payment to SCRRA which was paid in the second quarter. Capital expenses underran the budget by \$2.7 million, or 11.4 percent, driven by underruns in the Laguna Niguel/San Juan Capistrano Metrolink Station Passing

Siding Project and the Orange Transportation Center Metrolink Parking Structure Project.

The 91 Express Lanes Program received \$4.7 million, or 21 percent, more in operating revenue than budgeted. This is primarily due to the continued increase in demand based on Riverside County Transportation Commission's opening of the 91 Express Lanes extension into Riverside County. Actual operating expenses were \$1.2 million, or 12.2 percent, lower than the budget due to timing of contract procurements for toll systems integration with the future 405 Express Lanes, and consultant services for the State Route 91 Implementation Plan.

Revenue and expenses for the Motorist Services Program were mostly in alignment with the services provided, with a minor underrun in operating expense related to invoicing for Freeway Service Patrol.

Sales tax revenue advances for the Local Transportation Authority (LTA) M2 Program and Local Transportation Fund (LTF) Bus Program grew by 2.6 percent and 3.11 percent year-over-year, respectively, compared to the budgeted growth rates of 3.3 percent and 2.4 percent. However, the actual amount of sales tax receipts for the second quarter will not be finalized until mid-March when OCTA receives the second quarter "true-up" payment. The amount of the true-up payment varies significantly from quarter to quarter and is, therefore, difficult to forecast.

LTA M2 Program sales tax revenue underran the budget by \$0.8 million based on advances. LTF Bus Program sales tax revenue overran the budget by \$0.2 million based on advances.

Table 1 - Second Quarter LTA and LTF Sales Tax Revenue										
		Budget		Actual	\$	Variance	% Variance			
LTA	\$	154,263,138	\$	153,468,923	\$	(794,215)	-0.51%			
LTF	\$	79,118,282	\$	79,358,545	\$	240,263	0.30%			

Summary

Overall, OCTA revenue overran the budget by \$48 million. This is primarily due to receiving more M2 grant revenue than anticipated. Sales tax revenue advances for the LTA M2 Program and LTF Bus Program grew by 2.6 percent and 3.11 percent year-over-year, respectively. Salaries and benefits underran the budget by \$4.9 million, primarily due to vacancies. Operating expenses underran the budget by \$62 million, primarily due to the M2 Program Freeway

and Streets and Roads modes. Capital expenses underran the budget by \$40 million, primarily due to construction projects under the M2 Program.

Attachment

A. Quarterly Budget Status Report Second Quarter of Fiscal Year 2017-18

Prepared by:

Anthony Baruch Section Manager, Financial Planning and Analysis

(714) 560-5332

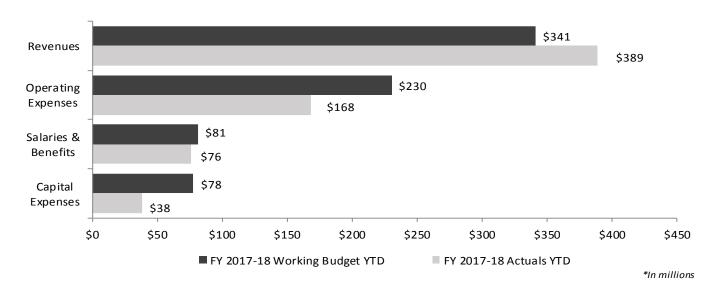
Approved by:

Andrew Oftelie Executive Director, Finance and Administration (714) 560-5649



Quarterly Budget Status Report

Second Quarter of Fiscal Year 2017-18



STAFFING

A staffing plan of 1,346.5 full-time equivalent positions was approved by the Board of Directors for fiscal year (FY) 2017-18. At the end of the second quarter, 1,271 of these positions were filled, representing a vacancy rate of 5.6 percent.

Staffing Description	Budget	Filled	Vacant	% Vacancy
Coach Operators	643.0	621.0	22.0	3.4%
Maintenance	171.0	148.0	23.0	13.5%
TCU	37.0	34.0	3.0	8.1%
Union Subtotal	851.0	803.0	48.0	5.6%
Bus Operations Support	165.5	155.5	10.0	6.0%
Other Administrative	330.0	312.5	17.5	5.3%
Administrative Subtotal	495.5	468.0	27.5	5.5%
Total OCTA	1,346.5	1,271.0	75.5	5.6%

TOTAL SALARIES AND BENEFITS

Total salaries and benefits of \$76.1 million were \$4.9 million under the budget of \$81 million. This variance is comprised of a \$3.3 million underrun in the Bus Program salaries and benefits, as well as a \$1.6 million underrun in the General Fund salaries and benefits. In both groups, the underruns are primarily driven by vacant positions.

	В	udget	1	Actual	\$٧	ariance	% Variance
Bus Program	\$	53,543	\$	50,257	\$	3,286	6.1%
General Fund		27,495		25,867		1,628	5.9%
Total	\$	81,037	\$	76,124	\$	4,913	6.1%

PROGRAM VARIANCES

Year-to-date material variances are listed by program. All dollar amounts in tables are shown in thousands.

Bus Program



	Budget		Actual	\$ Variance		% Variance
Operating						
Revenues	\$ 125,786	\$	119,097	\$	(6,689)	-5.3%
Expenses	116,821		112,834		3,987	3.4%
Net Operating	\$ 8,965	\$	6,263			
Capital						
Revenues	2,778		596		(2,182)	-78.5%
Expenses	2,708		589		2,119	78.3%
Net Capital	\$ 70	\$	7			

Operating Revenue: The \$6.7 million underrun in operating revenue is primarily due to a Federal Transportation Administration (FTA) grant for bus preventative maintenance (\$8.8 million). The underrun in operating revenue was slightly offset by an overrun in fare revenue (\$1.1 million).

OCTA receives an annual FTA grant for salaries and benefits associated with preventative maintenance of the bus fleet. The annual grant was not executed as originally anticipated due to the timing of approval of the United States Federal Budget for the 2017 federal fiscal year (year ended September 30, 2017). The grant is anticipated to be executed in the third quarter.

Fare revenue experienced an overrun of \$1.1 million compared to the budget. The variance is due to a lower-than-anticipated decrease in fixed-route boardings year-over-year of 2.3 percent compared to the budgeted decrease of 6.5 percent.

Local Transportation Fund (LTF) Bus Program sales tax advances grew by 3.11 percent year-over-year compared to the budgeted growth rate of 2.4 percent. This resulted in an overrun of \$0.2 million, or 0.3 percent, compared to the budget. However, the actual amount of LTF sales tax revenue for the second quarter will not be finalized until mid-March when OCTA receives the second quarter "true-up" payment.

LTF Bus Program Sales Tax Revenue

	Budget		Actual	\$Va	ariance	% Variance
Revenue	\$	79,118	\$ 79,359	\$	240	0.30%

Operating Expenses: The \$4 million underrun in Bus Program operating expenses can be attributed to salaries and benefits (\$3.3 million) and paratransit service (\$1.5 million).

Salaries and benefits underran the budget by \$3.3 million. This is primarily due to vacant positions. The vacancy rate at the end of the second quarter is 5.6 percent for Bus Program union employees and 6 percent for Bus Program administrative employees, compared to budgeted vacancy rates of 3 percent for each group.

The underrun of \$1.5 million in paratransit service expenses can be attributed to lower-than-anticipated growth in these on-demand services. In previous years, paratransit service has experienced a large growth rate year-over-year. However, in the first half of the FY, the growth has been more modest, primarily in supplemental taxi services for paratransit riders.

Capital Revenue: Capital revenue underran by \$2.2 million due to underruns in corresponding capital expenses. Grants for capital projects are reimbursed after the

expenses occur. These grant funds are associated with the Bus Program capital expenses for bus base projects.

Capital Expenses: Capital expenses underran the budget by \$2.1 million. The variance is due to bus base projects beginning later than anticipated (\$2.3 million), primarily the removal of liquefied natural gas underground storage tanks at the Anaheim and Garden Grove bus bases. When the budget was developed, expenditures were anticipated to begin in the first half of the FY, but due to the timing of the contract, they are now anticipated in the second half of the FY.

Rail Program



	Budget			Actual	Actual \$ Variance		
Operating							
Revenues	\$	20,639	\$	20,435	\$ (204)	-1.0%	
Expenses		20,457		21,773	(1,316)	-6.4%	
Net Operating	\$	182	\$	(1,338)			
Capital							
Revenues		500		577	77	15.4%	
Expenses		23,298		20,634	2,665	11.4%	
Net Capital	\$	(22,798)	\$	(20,057)			

Operating Expenses: Rail Program operating expenses overran the budget by \$1.3 million. The overrun is primarily associated with payment of OCTA's portion of the Southern California Regional Rail Authority (SCRRA) operating subsidy. The third quarter payment was posted in the latter part of the second quarter.

Net Capital: As shown in the table above, capital revenue was budgeted \$22.8 million less than capital expenses. The underrun in budgeted revenue when compared to expenses is primarily associated with grant revenue for construction of the Orange Transportation Center Metrolink Parking Structure project. As reflected in OCTA's annual budget, grant revenues associated with capital expenditures are typically reimbursed within three months of the expenses taking place. A contract was encumbered early in the FY for \$18.4 million, and reimbursements will be sought as invoices are received.

Capital Expenses: The \$2.7 million underrun in Rail Program capital expenses can be attributed to the Laguna Niguel/San Juan Capistrano Metrolink Station Passing Siding Project (\$1.9 million) and the Orange

Transportation Center Metrolink Parking Structure Project (\$1.2 million).

For the Laguna Niguel/San Juan Capistrano Metrolink Station Passing Siding Project, the \$1.9 million underrun is due to the timing of the construction phase cooperative agreement with SCRRA. Resulting from multiple stakeholder modification requests during the design phase of the project, construction activity will commence later than originally anticipated.

The \$1.2 million underrun associated with the Orange Transportation Center Metrolink Parking Structure Project is caused by expenses that were anticipated to be paid in the second quarter, but were not paid until early in the third quarter.

91 Express Lanes Program



	E	Budget	Actual	\$ Variance	% Variance
Operating					
Revenues	\$	22,417	\$ 27,124	\$ 4,706	21.0%
Expenses		9,509	8,346	1,162	12.2%
Net Operating	\$	12,909	\$ 18,777		
Capital					
Revenues		448	670	222	49.5%
Expenses		448	670	(222)	-49.5%
Net Capital	\$	-	\$ -		

Operating Revenue: The 91 Express Lanes operating revenue overran the budget by \$4.7 million. The overrun is primarily attributed to increased trips resulting from Riverside County Transportation Commission's extension of the Express Lanes into Riverside County (\$2.6 million), and from fees such as violation processing and account minimum fees (\$1.5 million).

Operating Expenses: The 91 Express Lanes operating expenses underran the budget by \$1.2 million. This underrun is primarily attributed to timing of the contract procurement for project and construction management services for toll systems integration between the 91 Express Lanes and future 405 Express Lanes, and consultant services for the State Route 91 Implementation Plan. Contracts for both projects are expected to be procured in the second half of the FY.

Motorist Services Program



	В	udget	Actual	\$٧	/ariance	% Variance
Operating						
Revenues	\$	2,809	\$ 2,431	\$	(378)	-13.5%
Expenses		2,809	2,431		378	13.5%
Net Operating	\$	-	\$ -			

Operating: Operating revenue and expenses for the Motorist Services Program underran the budget by \$0.4 million. The underrun is primarily due the timing of invoices for Freeway Service Patrol operations.

M2 Program



M2 Program Sales Tax Revenue

	l	Budget	Actual	\$ V	ariance	% Variance
Revenue	\$	154,263	\$ 153,469	\$	(794)	-0.51%

Revenue: Local Transportation Authority M2 Program sales tax advances grew by 2.6 percent year-over-year in comparison to the budgeted growth rate of 3.3 percent. This resulted in an underrun of \$0.8 million, or 0.5 percent, compared to the budget. However, the amount of sales tax receipts for the second quarter will not be finalized until mid-March when OCTA receives the second quarter "true-up" payment.

Mode	Budget		Actual		Variance	% Variance
Freeways	\$ 50,673	\$	13,279	\$	37,394	73.8%
Streets & Roads	70,017		41,712		28,305	40.4%
Transit	10,525		3,736		6,790	64.5%
Administration	3,883		3,939		(56)	-1.5%
Debt Service	10,509		10,509		0	0.0%
Total	\$ 145,608	\$	73,175	\$	72,432	49.7%

Expenses: The Measure M2 Program expenditures underran the budget by \$72.4 million. contributed \$37.4 million to the underrun, primarily due to later than anticipated procurement for a preliminary engineering contractor on the State Route 55, from Interstate 405 (I-405) to Interstate 5 (I-5) Project, unused right-of-way capital on the I-5 widening project in south Orange County, and unused contract contingency for the I-405 Improvement project. Streets and Roads contributed \$28.3 million to the underrun, mainly due to lower than anticipated project payment requests from the cities and county. Transit contributed \$6.8 million to the underrun, primarily due to timing of contract execution for costs associated with the San Juan Creek bridge replacement.

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April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Amendment to Agreement for the Implementation of the Federal

Disadvantaged Business Enterprise Program

Finance and Administration Committee Meeting of March 28, 2018

Present: Directors Hennessey, Jones, and R. Murphy Absent: Directors Do, Donchak, Spitzer, and Steel

Committee Vote

Due to lack of guorum, no action was taken on this item.

Staff Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1514 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$150,000, to exercise the one-year option term of the agreement through August 31, 2019, to provide assistance in administering the federal Disadvantaged Business Enterprise Program. This will increase the maximum obligation of the agreement to a total contract value of \$1,050,000.



March 28, 2018

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Amendment to Agreement for the Implementation of the Federal

Disadvantaged Business Enterprise Program

Overview

On July 28, 2014, the Board of Directors approved an agreement with Padilla & Associates, Inc., to provide assistance to the Orange County Transportation Authority in administering the federally required Disadvantaged Business Enterprise Program. An amendment to the existing contract is necessary to exercise the one-year option term of the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1514 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$150,000, to exercise the one-year option term of the agreement through August 31, 2019, to provide assistance in administering the federal Disadvantaged Business Enterprise Program. This will increase the maximum obligation of the agreement to a total contract value of \$1,050,000.

Discussion

The Orange County Transportation Authority (OCTA) is required to maintain a Disadvantaged Business Enterprise (DBE) Program as a condition of receiving federal assistance, pursuant to Section 1101 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy of Users; 40 Code of Federal Regulations Part 26; and Federal Transit Administration Master Agreement. As a recipient of federal funds, OCTA must implement policies and procedures to ensure that DBE firms have maximum opportunities to participate in all procurement activities. OCTA's Contracts Administration and Materials Management (CAMM) Department is responsible for the administration of the DBE Program.

On July 28, 2014, OCTA's Board of Directors (Board) approved Agreement No. C-4-1514 with Padilla & Associates, Inc. (Padilla), to assist OCTA in the implementation of the DBE Program on a time and expense basis. The scope of services includes reviewing annually OCTA's DBE Program and updating as necessary; preparing DBE goal assessments for all federally-funded projects; attending and providing DBE information at pre-proposal and pre-bid meetings; and assessing DBE compliance with the established goal.

Procurement Approach

The procurement was handled in accordance with OCTA's Board-approved procedures for professional and technical services and was awarded on a competitive basis. The agreement was issued in the amount of \$600,000. The Board approved the agreement with Padilla for an initial four-year term, with a one-year option term. The initial term of the agreement expires on August 31, 2018. The agreement had been previously amended in November 2016 for \$300,000 as described in Attachment A.

The proposed Amendment No. 3 is to exercise the one-year option term of the agreement. Amending this agreement will increase the maximum obligation by \$150,000, bringing the total contract value to \$1,050,000. The hourly rate escalation will remain as originally negotiated. Exercising the option term will allow Padilla to continue providing assistance in administering OCTA's DBE Program.

Fiscal Impact

The project is included in OCTA's Fiscal Year 2018-19 Budget, Finance and Administration Division, CAMM Department Account 1270-7519-A0011-KHT.

Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1514 with Padilla & Associates Inc., to exercise the one-year option term in the amount of \$150,000, for a total contract value of \$1,050,000, to provide assistance in administrating the federal Disadvantaged Business Enterprise Program.

Attachment

A. Padilla & Associates, Inc., Agreement No. C-4-1514 Fact Sheet

Prepared by:

Virginia Abadessa

Director, Contracts Administration and

Materials Management

714-560-5623

Approved by:

Andrew Oftelie Executive Director

Finance and Administration

714-560-5649

Padilla & Associates, Inc. Agreement No. C-4-1514 Fact Sheet

- 1. July 28, 2014, Agreement No. C-4-1514, in the amount of \$600,000, for a four-year initial term with one, one-year option term approved by the Board of Directors (Board).
 - To provide assistance in administering the federal Disadvantaged Business Enterprise (DBE) Program for the Orange County Transportation Authority.
 - Initial term effective September 1, 2014 through August 31, 2018.
- 2. October 1, 2015, Amendment No. 1 to Agreement No. C-4-1514, \$0.00, was approved by Contracts Administration and Materials Management.
 - Amendment revised the fully burdened hourly rates for some key personnel.
- 3. November 14, 2016, Amendment No. 2 to Agreement No. C-4-1514, \$300,000, approved by the Board.
 - Amendment to increase the maximum cumulative payment obligation to accommodate the increase work effort needed to administer the DBE Program for the I-405 Design-Build Improvement Project.
- 4. April 9, 2018, Amendment No. 3 to Agreement No. C-4-1514, \$150,000, pending approval by the Board.
 - Amendment to exercise the one-year option term of the Agreement effective September 1, 2018 through August 31, 2019.

Total committed to Padilla & Associates, Inc., Agreement No. C-4-1514: in the amount of \$1,050,000.



April 9, 2018

To: Members of the Board of Directors

LW

From: Laurena Weinert, Clerk of the Board

Subject: Amendments to the Orange County Transportation Authority

Drug and Alcohol Policy Manual

Executive Committee Meeting of April 2, 2018

Present: Chairwoman Bartlett, Vice Chairman Shaw, and Directors Do,

M. Murphy, Murray, and Nelson

Absent: Director Hennessey

Committee Vote

This item was passed by the Members present.

Director Nelson was not present to vote on this item.

Committee Recommendations

A. Authorize the Chief Executive Officer or designee to remove the requirement for drug and alcohol testing at the time of an employee's Department of Transportation medical recertification and/or physical examinations (Manual Sections 5.5B and 6.2C).

- B. Authorize the Chief Executive Officer or designee to increase the Orange County Transportation Authority's random alcohol testing rate from 20 percent to 50 percent annually for all safety-sensitive employees in order to emulate the current testing rates for drugs (Manual Section 5.5G Policy Section VIIA).
- C. Authorize the Chief Executive Officer or designee to remove the obsolete table of drug testing thresholds (Manual Section 5.4) and insert "drugs or classes of drugs to be tested and the applicable threshold levels for positive findings shall be determined by current Department of Transportation and Federal Transit Administration regulations."
- D. Authorize the Chief Executive Officer or designee to remove the Facilities Maintenance Department from the list of regulated safety-sensitive positions (Manual Section 9).



April 2, 2018

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendments to the Orange County Transportation Authority Drug

and Alcohol Policy Manual

Overview

In accordance with the Drug and Alcohol Policy (# HROD-HR-420.17DRUG), revisions to the Drug and Alcohol Policy Manual are subject to management review and the Board of Directors' approval.

Recommendations

- A. Authorize the Chief Executive Officer or designee to remove the requirement for drug and alcohol testing at the time of an employee's Department of Transportation medical recertification and/or physical examinations (Manual Sections 5.5B and 6.2C).
- B. Authorize the Chief Executive Officer or designee to increase the Orange County Transportation Authority's random alcohol testing rate from 20 percent to 50 percent annually for all safety-sensitive employees in order to emulate the current testing rates for drugs (Manual Section 5.5G Policy Section VIIA).
- C. Authorize the Chief Executive Officer or designee to remove the obsolete table of drug testing thresholds (Manual Section 5.4) and insert "drugs or classes of drugs to be tested and the applicable threshold levels for positive findings shall be determined by current Department of Transportation and Federal Transit Administration regulations."
- D. Authorize the Chief Executive Officer or designee to remove the Facilities Maintenance Department from the list of regulated safety-sensitive positions (Manual Section 9).

Discussion

The Health, Safety, and Environmental Compliance Department oversees the drug and alcohol compliance program, and has assessed program compliance and program management efficiencies in accordance with the Department of Transportation (DOT) and the Federal Transit Administration (FTA) requirements.

The Orange County Transportation Authority (OCTA) Drug and Alcohol Policy Manual requires safety-sensitive employees to submit to a drug and alcohol test each time they undergo a Department of Motor Vehicle medical certification exam (Manual Sections 5.5B and 6.2C). Under this requirement, "unhealthy" employees perform additional drug and alcohol testing beyond the requirement of "healthy" employees. This practice is neither a State nor an FTA requirement. Furthermore, compliance with current FTA required monthly random, post-accident, pre-employment, reasonable suspicion, and follow-up drug and alcohol testing provides a preemptive and reasonable approach to combating substance abuse within OCTA's safety-sensitive workforce.

Random testing is best for detecting substance abuse. OCTA currently tests 50 percent of its safety sensitive population each year for drugs, and only 20 percent are subject to random alcohol tests. For consistency purposes, and to proactively combat one of the highest abused substances, OCTA's intent is to increase the number of random alcohol tests from 20 percent to 50 percent. This allows random alcohol testing of more than two-times the current number of safety-sensitive employees while on duty.

Effective January 1, 2018, the DOT and FTA revised their list of drugs and drug classifications, and the current list within the OCTA Drug and Alcohol Policy Manual is outdated. In order to ensure OCTA applies current drug and drug classifications, along with testing thresholds, it will serve OCTA to not include the DOT and FTA table, but instead make reference to its adherence by adding the statement "drugs or classes of drugs to be tested and the applicable threshold levels for positive findings shall be determined by current DOT and FTA regulations."

The recommendation to remove the Facilities Maintenance titles from the list of safety-sensitive positions has regulatory implication. By FTA's definition, these three job classifications are not safety-sensitive. Removing these titles will bring us into compliance with the federal definition. The FTA defines safety-sensitive functions in Part 655, Section 655.4, as employees performing any of the following:

- Operating a revenue service vehicle, in or out of revenue service,
- Operating a non-revenue vehicle requiring a commercial driver's license,
- Controlling movement or dispatch of a revenue service vehicle,
- Maintaining (including repairs, overhaul, and rebuilding) of a revenue, service, vehicle or equipment used in revenue service, and
- Carrying a firearm for security purposes.

OCTA Facilities Maintenance employees are not required to have a commercial driver's license and do not perform safety-sensitive tasks.

Summary

Staff is recommending the Board of Directors authorize the Chief Executive Officer to make necessary modifications to the Drug and Alcohol Policy Manual in compliance with OCTA's Drug and Alcohol Policy. These proposed changes will remove unnecessary testing protocols, increase OCTA's ability to perform random alcohol testing, remove an outdated DOT and FTA reference table, and properly classify the Facilities Maintenance employees as non-safety-sensitive.

Attachments

- A. Human Resources & Organizational Development Division Drug and Alcohol Policy Redlined
- B. Orange County Transportation Authority (OCTA) Drug and Alcohol Policy Manual 2015 Revision Redlined

Prepared by:

Matthew DesRosier Department Manager, Health, Safety, and Environmental Compliance 714-560-5854 Maggie McJilton

Approved by:

Executive Director, Human Resources and Organizational Development 714-560-5824



Human Resources & Organizational Development Division

Interim Executive Director CEO

DRUG AND ALCOHOL POLICY Redlined

Policy#: HROD-HR-420.17DRUG **Origination** 05/17/2004 **Revised Date:** 10/27/2014

I. PURPOSE

The purpose of this policy is to establish guidelines for revisions to the Orange County Transportation Authority's (OCTA) Drug and Alcohol Policy Manual. Please refer to the policy manual for the complete overview of regulations and compliance requirements.

II. ORGANIZATIONAL UNITS AFFECTED

This policy applies to the Drug and Alcohol Policy Manual and all OCTA employees.

III. POLICY

- **A.** The Drug and Alcohol Policy Manual is reviewed to ensure that it complies with the Federal Transit Administration (FTA) and U.S. Department of Transportation (DOT) regulations, 49 CFR Part 40 and Part 655, as amended.
- **B.** The Drug and Alcohol Policy Manual incorporates federal requirements in addition to OCTA requirements. To distinguish DOT and/or FTA requirements from OCTA specific requirements, portions of the policy text in the manual have been bolded when references are made to the inclusion of non-safety-sensitive position employees or other OCTA specific policy.

IV. DEFINITIONS

Not applicable.

V. PROCEDURE

- **A.** Each OCTA employee is provided either a hard or electronic copy of the Drug and Alcohol Policy Manual. It is the responsibility of all OCTA employees to read, understand, and comply with the Drug and Alcohol Policy Manual.
- **B.** Revisions to the Drug and Alcohol Policy Manual are subject to management review and the Board of Directors' approval.

VI. EXCEPTIONS

OCTA reserves and maintains the right to eliminate, modify or otherwise change, at any time, for any reason, any provision(s) of the Drug and Alcohol Policy Manual. However, OCTA will insure it is in compliance with Federal law. It is not intended to supplement, alter, or serve as an official interpretation of 49 CFR Part 40 or DOT agency regulations.

Human Resources & Organizational Development Division DRUG AND ALCOHOL POLICY

Policy#: HROD-HR-420.17DRUG Origination Date: 05/17/2004 Revised Date: 10/27/2014

OCTA reserves the right to change this policy at any time without prior notice. OCTA has the authority to make exceptions to this policy as required by business needs. Any exceptions must be authorized by the Chief Executive Officer. In the event that any changes are made, the revised policy will be posted on OCTA Today.

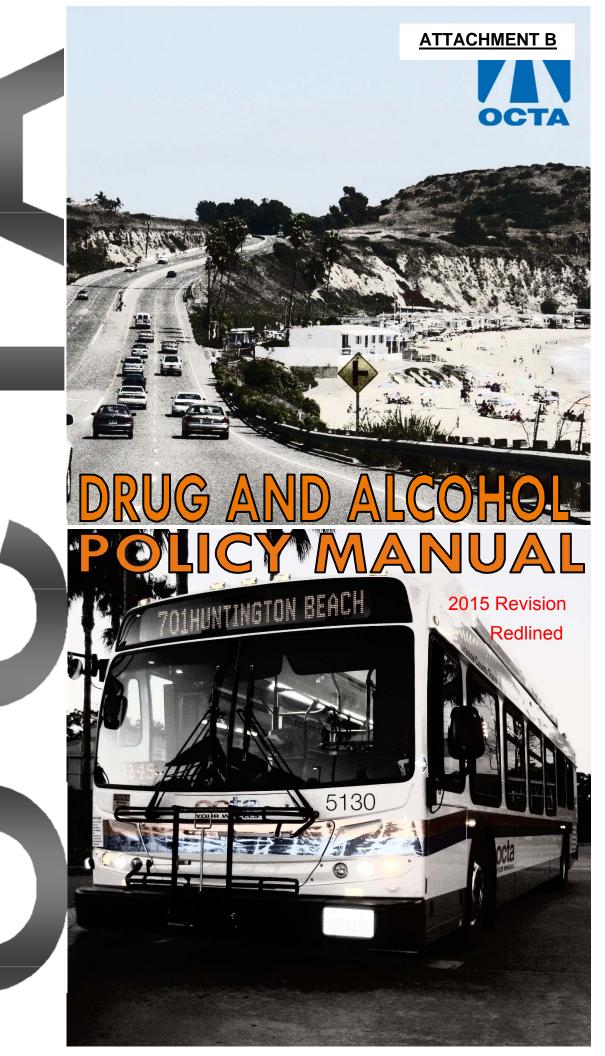
VII. PROVISIONS AND CONDITIONS

- A. Random Testing Rates
 - **1.** OCTA Random Drug testing will equal 50 percent of the annual average safety sensitive population.
 - **2.** OCTA Random Alcohol Testing will equal 20 50 percent of the annual average safety sensitive population.

VIII. RELATED DOCUMENTS

- A. OCTA Drug and Alcohol Policy Manual
- **B.** Federal Transit Administration (FTA) and U.S. Department of Transportation (DOT) regulations, 49 CFR Part 40 and Part 655, as amended.

END OF POLICY



2015 REVISION

The Orange County Transportation Authority (OCTA or Authority) Drug and Alcohol Policy Manual complies with the Federal Transit Administration (FTA) and U.S. Department of Transportation (DOT) regulations, 49 CFR Part 40 and Part 655, as amended, which regulates standards for the collection and mandated testing of breath and urine specimens. The purpose of this manual is to outline the most common processes in relationship to the DOT/ FTA regulations. Nothing in this publication is intended to supplement, alter or serve as an official interpretation of 49 CFR Part 40 and Part 655 or DOT agency regulations.

Additionally, the DOT enacted The Drug-Free Workplace Act of 1988 (DFWA) which required the establishment of drug-free workplace policies and the reporting of certain drug-related offenses to the FTA. The Authority's Drug-Free Workplace Act Certification is included in this Policy as Attachment D and additional information about the Drug-Free Awareness Program is provided in Section 7.

This Drug and Alcohol Policy Manual incorporates federal requirements in addition to OCTA requirements. To distinguish DOT and/or FTA requirements from OCTA-specific requirements, portions of the Policy text have been **bolded when references are made to the inclusion of non-safety-sensitive position employees or other OCTA-specific policy**. The organization takes pride in achieving and maintaining high results with regulatory compliance and employee compliance with OCTA mandated policies. OCTA mandated policies are in addition to the required processes and are chosen to enhance the overall performance results of the Authority.

The Authority acknowledges a strong commitment to the health and well-being of employees. Any OCTA employee or employee's family members who may be experiencing the pressures and/or problems of substance abuse, and/or related problems, is urged to seek help through Resources For Living, the Authority's Employee Assistance Program (EAP). The EAP provides strictly confidential services and counseling. To contact the EAP directly, call (866) 370-4838. You may also visit the Resources For Living Website at www.mylifevalues.com. Services are available 24 hours a day, 7 days a week.

Each OCTA employee is provided a copy of this Policy and acknowledges receipt of the Policy by signing an Acknowledgement of Receipt of OCTA Drug and Alcohol Policy Manual Attachment G. It is the responsibility of all OCTA employees to read, understand, and comply with the Drug and Alcohol Policy Manual.

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GENERAL OVERVIEW—SECTION 1

General Overview Section 1

GENERAL OVERVIEW—SECTION 1

GENERAL OVERVIEW—SECTION 1

1.1 POLICY STATEMENT

Orange County Transportation Authority (OCTA) has a vital interest in providing its employees with safe and healthful working conditions and providing its riders and the public with high quality public transportation that is effective, safe, and efficient. The Authority will not tolerate any drug or alcohol use which may affect job performance or pose a hazard to the safety and welfare of the employee, the public, other employees, or the Authority.

In addition, OCTA encourages employees to become knowledgeable on potential impairment when using over-the-counter (OTC) or prescription (Rx) medication. The intention is to reduce potential safety risks by removing impairment in the workplace, regardless of the source.

The Authority is committed to establishing and maintaining a safe and healthy work environment free from the influence of drugs and alcohol. With this objective in mind, the Authority has established the following Policy with regard to the use, possession, sale, manufacture, distribution, or dispensation of drugs and alcohol.

This Policy complies with the Federal Transit Administration (FTA) regulations, U.S. Department of Transportation (DOT) standards and The Drug-Free Workplace Act of 1988 (DFWA). The OCTA Drug and Alcohol Policy Manual has in some areas broadened the FTA and DOT requirements by including non-safety sensitive positions, as well as safety-sensitive positions, in some areas of testing.

1.2 APPLICABILITY

The Drug and Alcohol Policy Manual applies to all introductory, regular full-time and part-time safety-sensitive positions and some portions also apply to non-safety sensitive positions, including temporary, extra help, interns, or as-needed employees, volunteers, and contractors when they are on OCTA property or when performing any OCTA business. OCTA's Policy standards for employees in safety-sensitive positions include the requirements of the DOT, as discussed in Policy Statement Section 1.1.

Visitors, vendors, and contractors are governed by this Policy while on OCTA premises and will not be permitted to conduct business or remain on OCTA grounds if found to be in violation of this Policy.

GENERAL OVERVIEW—SECTION 1

1.3 RESERVATION OF RIGHTS

The Authority reserves the right to interpret, change or rescind the provisions of this policy that are not required by federal law, in whole or in part and without notice.

1.4 CONDITION OF EMPLOYMENT

Compliance with the Authority's Drug and Alcohol Policy Manual is a condition of employment for all **employees**. Failure or refusal of **an employee** to cooperate fully, submit to an inspection or test, or follow any prescribed course of substance abuse treatment is grounds for employment termination.

1.5 INSPECTIONS

When there is reason to believe that an employee or group of employees may be in possession of alcohol or illegal drugs on Authority property, the employee(s) is (are) required, as a condition of employment, to submit to reasonable inspections, including but not limited to: clothing, personal containers, lockers, company vehicles, purses, lunch boxes, briefcases or other containers, desks, or personal vehicles (while on Authority property). An inspection must be authorized by the Department Manager or higher-level management personnel. Whenever possible, the searches also should be approved by the Department Management of Labor and Employee Relations Department. If the Department Manager of Labor and Employee Relations cannot be reached, the Department Manager of Human Resources may approve a search.

1.6 CONVICTION OF A DRUG RELATED OFFENSE

Please see Conviction of a Drug Related Offense Policy.

RESPONSIBILITIES—SECTION 2

Responsibilities Section 2

RESPONSIBILITIES—SECTION 2

RESPONSIBILITIES—SECTION 2

2.1 EMPLOYEES

Employees at all levels are responsible for reading, understanding, and adhering to this Policy. Each employee shall receive and sign an Acknowledgment of Receipt of OCTA Drug and Alcohol Policy Attachment G. Any employee who violates this policy is subject to disciplinary action up to and including employment termination.

2.2 MANAGERS AND SUPERVISORS

Managers and Supervisors will be held strictly accountable for the consistent application, enforcement, and adherence of the Policy. Any Manager/Supervisor who knowingly disregards the requirements of this Policy, or who is found to deliberately misuse the Policy in regard to any employee, or personally fails to adhere to the Policy, shall be subject to discipline up to and including employment termination.

2.3 RESPONSIBLE DEPARTMENT

The <u>Human ResourcesHealth</u>, <u>Safety</u>, <u>and Environmental Compliance</u> Department is responsible for the administration of this Policy, including the retention of Acknowledgement of Receipt forms Attachment G. The Designated Employer Representative maintains all Attachment B forms and is the liaison between the Authority and the Medical Review Officer (MRO). Employees who have questions regarding this Policy may direct their questions to <u>Health</u>, <u>Safety</u>, <u>and Environmental Compliance Human Resources</u> staff Attachment F.

RESPONSIBILITIES—SECTION 2

ALCOHOL GUIDELINES—SECTION 3

Alcohol Guidelines Section 3

ALCOHOL GUIDELINES—SECTION 3

ALCOHOL GUIDELINES—SECTION 3

3.1 ALCOHOL CONSUMPTION

The possession, consumption, or sale of any amount of alcoholic beverage while at work, on Authority property, doing business on behalf of the Authority, in an Authority vehicle, or in an Authority uniform (including breaks, lunch, and non-work hours) is prohibited for all employees. Additionally, alcohol use by an employee in a safety-sensitive position is prohibited at any time while he/she is on duty or subject to be on duty. Employees must refrain from alcohol consumption within a minimum of at least eight (8) hours of reporting to work or during the hours that he/she is subject to duty and must be clear of the effects of alcohol.

Alcohol use by an employee in a non-safety-sensitive position while performing Authority business, while on Authority property, in an Authority vehicle, or in Authority uniform (including breaks, lunch, and non-work hours) is prohibited to the extent that such alcohol may have a material, adverse effect on the safety of that employee, coworkers, riders, or members of the general public, the employee's job performance, or the safe, efficient operation of the Authority's facilities or the Authority's image.

Alcohol use by any employee (whether or not in a safety-sensitive position) is prohibited at any time he/she is driving an Authority vehicle (including revenue service and non-revenue service vehicles).

3.1A OFF-THE-JOB ALCOHOL CONSUMPTION

Off-the-job alcohol use and/or activity, which could reasonably have an adverse effect on an employee's job performance or which could jeopardize the safety of the employee, other employees, riders, the general public, or Authority equipment, or which could reflect unfavorably on the Authority's relationship with the public, is proper cause for disciplinary action up to and including termination of employment. Of course, off-the-job use of drugs or alcohol which results in an employee being under the influence of drugs or alcohol while on duty is considered "on-the-job" use of drugs or alcohol and will be treated accordingly.

ALCOHOL GUIDELINES—SECTION 3

DRUG GUIDELINES—SECTION 4

Drug Guidelines Section 4

DRUG GUIDELINES—SECTION 4

Drug Guidelines—Section 4

4.1 ILLEGAL DRUG USE

The consumption, sale, purchase, offer to sell or purchase, transfer, possession, manufacture, distribution, or dispensation of an illegal drug by an employee while in an Authority facility, in an Authority vehicle, on Authority property, while in Authority uniform (including breaks, lunch, and non-work hours), or while performing Authority business is strictly prohibited. The presence of any amount of an illegal drug or its metabolites in any employee while performing Authority business, in an Authority facility, in an Authority vehicle, in Authority uniform, or on Authority property is prohibited.

No employee shall bring drug paraphernalia, which is used in the storage, concealment, injection, ingestion, or consumption of illegal drugs, onto Authority premises or property or into Authority vehicles.

Illegal drug means any drug (a) which is not legally obtainable or (b) which is legally obtainable but has not been legally obtained. The term includes, but is not limited to, marijuana, cocaine, opiates, amphetamines, methamphetamines, and phencyclidine (see Section 5.4 for identified threshold levels for each prohibited drug).

4.2 LEGAL DRUG USE

The use or being under the influence of a legal drug by any employee, while performing Authority business or while on Authority property, is prohibited to the extent that such use or influence may have a material, adverse effect on the safety of the employee, coworkers, riders, or members of the public, the employee's job performance, the safe and efficient operation of the Authority's facilities, or the Authority's image.

Employees in safety-sensitive positions are required to report the use of any legal prescription drug or over-the-counter drug as defined in sections 4.2A-4.2C.

4.2A ATTACHMENT B FOR PRESCRIPTION DRUG USE

An employee in a safety-sensitive position must properly complete an Attachment B form for any legal drug taken which may cause drowsiness or which may otherwise impair, to any extent, the employee's ability to safely and efficiently perform his/her job; and for any controlled substance taken which is identified in Schedule 1 (21 CFR 1308.11), an amphetamine, a narcotic, or any other habit forming drug,

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unless the legal drug(s) is prescribed by a licensed medical practitioner familiar with the employee's medical history and assigned duties and who completes the physician's portion of the Attachment B indicating that the drug will not adversely affect the employee's ability to safely operate a commercial motor vehicle. Attached to the Attachment B is a copy of the job description summaries for safety-sensitive positions.

It is each employee's responsibility to know and to not engage in any safety-sensitive duties without express written consent from a physician if any legal drug prescribed by his/her doctor:

- May cause drowsiness or otherwise impair your ability to safely and efficiently perform your job duties;
- Is a drug listed on Schedule I, attached for your reference to the Attachment B form;
- Is an amphetamine;
- Is a narcotic; or
- Is a habit forming drug.

It is recommended that you bring a copy of the Attachment B form, with its Exhibits, to your doctor and ask your doctor if the drug(s) you are being prescribed falls into one or more of the above categories.

To properly complete the Attachment B form, an employee in a safety-sensitive position is required to (1) have his/her doctor complete and sign side 1 of the Attachment B form and attach a copy of the prescription or bottle label with the employee's name on it; (2) sign at the bottom of side 1 of the form in the Employee section; and (3) submit the completed form to the Human Resources Department in a confidential envelope within one working day of taking the prescription drug.

4.2B ATTACHMENT B FOR OVER-THE-COUNTER DRUGS

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An employee in a safety-sensitive position must properly complete an Attachment B form for any legal over-the-counter (OTC) drug taken that contains a warning label on the packaging which indicates that the drug may cause drowsiness or otherwise impair the employee's ability to safely perform job duties. An employee in a safety-sensitive position may not engage in any safety-sensitive functions while taking any legal OTC drug that contains a warning label on the packaging which indicates that

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the drug may cause drowsiness or otherwise impair the employee's ability to safely perform job duties.

To adhere to the Drug and Alcohol Policy for legal OTC drugs, an employee in a safety-sensitive position is required to (1) complete and sign side 2 of the Attachment B form, (2) sign at the bottom of side 2 of the form in the Employee section; and (3) submit the completed form to the Human Resources Department in a confidential envelope within one working day of taking the OTC drugs.

4.2C AFTER COMPLETING THE ATTACHMENT B FORM

After completion of an employee's Attachment B form and review of the form by the Human Resources Department, the Human Resources Department will review the form for completeness and file. Questions about a legal Rx/OTC drug may be discussed with OCTA's Medical Review Officer (MRO). The Authority retains the right to place an employee on a medical hold while the MRO is reviewing the employee's Attachment B. The Authority, in it's discretion, may request the MRO to issue an independent decision as to whether an employee in a safety-sensitive position may work while taking a legal Rx/OTC drug. The Authority may request at any time such an independent decision, which will be binding on the employee, for any employee in a safety-sensitive position who is working or intends to work while taking a legal Rx/OTC drug.

If the MRO determines that an employee in a safety-sensitive position should not work while taking the legal Rx/OTC drug, the employee may be required to take a leave of absence or comply with other appropriate action/direction. An employee may obtain an independent opinion from his/her physician regarding the use of a legal Rx/OTC drug. In order to continue working in this situation, an employee must have his/her doctor complete side 1 of the Attachment B form and submit a completed Attachment B form to the Human Resources Department, in a confidential envelope, for authorization prior to returning to work.

If an employee fails to adhere to the Drug and Alcohol Policy regarding the taking of a legal Rx/OTC drug in accordance with these provisions or fails to complete an Attachment B form for each legal Rx/OTC drug taken by the employee or obtain the physician's signature for prescription drugs, the employee will be subject to discipline, including termination.

DRUG GUIDELINES—SECTION 4

TESTING—SECTION 5

Testing Section 5

TESTING—SECTION 5

5.1 DRUG AND ALCOHOL TESTING

Under this Policy, drug and alcohol testing shall be conducted when circumstances warrant or may be required by applicable law or regulations **or as required by OCTA policy**. The Authority's drug and alcohol testing will be performed in compliance with DOT regulations 49 CFR 40 and Part 655, as amended. Accordingly, a positive drug or alcohol test administered under this Policy is a violation of this Policy and will result in disciplinary action, up to and including termination.

The Authority has selected testing sites that conducts testing following CFR Part 40 processes and procedures and that have a high degree of accuracy and reliability and use techniques, equipment, and laboratory facilities which have been approved by the US Department of Health and Human Services.

Any employee who refuses to comply with a request for testing, who refuses to sign any **OCTA required testing form**, who provides false information in connection with a test, or who attempts to falsify test results through tampering, contamination, adulteration, or substitution will be considered to have a positive test and shall be subject to discharge proceedings.

The purpose of this section is to outline the most common processes in relationship to 49 CFR Part 40 or DOT agency regulations. It does not serve as a document to outline or define all the requirements with 49 CFR Part 40 or DOT agency regulations.

5.2 PRIVACY STATEMENT

The privacy of the employee will be protected. The integrity and validity of the test process will be maintained and the drug testing laboratories are required to maintain employee test records in confidence. The drug testing laboratories shall disclose information to the MRO, and the MRO in turn notifies the Designated Employer Representative (DER). OCTA will adhere to all standards of confidentiality regarding employee testing. Test records and results may be released by the DER to those authorized to receive such information by the FTA rules and/or federal, state, or local agency requirements. Testing records and results may be released by the Authority to: the employee, if requested by the employee in writing; the National Transportation Safety Board when investigating an accident; the decision maker in a lawsuit, grievance, or other proceeding initiated on behalf of the employee; representatives of OCTA in a lawsuit, grievance, or other proceedings; subsequent employers of a safety-sensitive position employee.

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5.3 ALCOHOL TESTING

Tests for alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA) approved Evidential Breath Testing (EBT) device operated by a qualified Breath Alcohol Technician (BAT). Under DOT regulations, an employee in a safety-sensitive position with an alcohol concentration of 0.02 or greater but less than 0.04, shall not be permitted to perform or continue to perform safety-sensitive functions, until (1) the employee's alcohol concentration measures less than 0.02; or (2) the start of the employee's next regularly scheduled duty period, but not less than eight (8) hours following administration of the test. Under OCTA Policy, if the initial test indicates an alcohol concentration of 0.001 to .02, a second non-DOT alcohol test will be performed to confirm the results of the initial test. A confirmed alcohol concentration greater than 0.000 will be considered a positive test and a violation of this Policy.

Any employee who is unable to provide the required volume of breath without a valid, verified medical reason will be considered to have refused the test and will be in violation of this Policy.

5.4 DRUG TESTING

Drug testing consists of a two-stage process utilizing a urine sample collected under the split specimen method. First, a screening test using an immunoassay technique is performed. If the screening test is positive for one or more drugs, a confirmation test is performed for each identified drug using state-of-the-art gas chromatography/mass spectrometry (GC/MS) analysis. The appropriate Custody and Control forms (CCF) will be used throughout the process according to the type of test identified in Attachment E.

Pursuant to the DOT and FTA regulations **and OCTA standards**, the drugs or classes of drugs to be tested and the applicable threshold levels for positive findings are as follows: shall be determined by current DOT and FTA regulations.

	Initial Test Cut Off Level	Confirmatory Test Cut Off Level
Marijuana Metabolites	50 ng/ml	15 ng/ml
Cocaine Metabolites (Benzoylecgonine)	150 ng/ml	100 ng/ml
Opiates (morphine, codeine) Opiates (heroin metabolite)	2000 ng/ml 10 ng/mL	2000 ng/ml 10 ng/mL
Amphetamines (MDMA, MDA, MDEA) Methamphetamines	500 ng/ml	250 ng/ml
Phencyclidine (PCP)	25 ng/ml	25 ng/ml

5.5 TYPES OF TESTING

5.5A DOT PRE-EMPLOYMENT (POST-OFFER) OR TRANSFER TO SAFETY-SENSITIVE POSITION

The Authority will conduct pre-employment (post-offer) **physical examinations** and testing designed to prevent hiring persons for safety-sensitive positions who use illegal drugs and/ or persons whose use of **alcohol or** legal drugs indicates a potential for impaired or unsafe job performance. An individual will not be hired for a safety-sensitive position unless the individual passes a drug and alcohol test administered in accordance with this Policy.

An employee who will be transferred or promoted to a safety-sensitive position must first pass a drug and alcohol test administered in accordance with this Policy. Employees who are interested in such transfer or promotion will be required to provide a written consent to participate in the Transfer to a Safety-Sensitive Position Testing. Employees who do not provide this written consent will not be allowed to perform safety-sensitive functions.

An employee who has not performed a safety-sensitive duty for 90 consecutive days or more and has not been in the Authority's random selection pool shall take a Pre-Employment drug and **alcohol** test with a verified negative result before returning to safety-sensitive duties.

5.5B NON-DOT DMV RE-CERTIFICATION OR ANNUAL OR BI-ANNUAL PHYSICAL EXAMINATION

The Authority requires a drug and alcohol test be taken at an authorized clinic as part of a safety-sensitive employee's DMV re-certification examination, or for any safety-sensitive employee who is not required to be DMV certified, at his/her annual or biannual physical examination.

5.5BC DOT REASONABLE SUSPICION/NON-DOT PROBABLE CAUSE

The Authority will require a drug and/or an alcohol test of **any employee** who is reasonably suspected of violating this Policy, including but not limited to, **any employee** suspected of **possessing**, using, or being under the influence of alcohol or an illegal drug, a legal drug if such use would violate this Policy, while on duty **or in Authority vehicles or on Authority property or in Authority uniform.**

The request to undergo a reasonable suspicion test will be based on specific

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contemporaneous, articulable observations by at least one Supervisor trained on the physical, behavioral, speech, and performance indicators of probable drug and alcohol misuse. It is recommended that two (2) trained Supervisors make the reasonable suspicion referral whenever possible. Reasonable suspicion/probable cause alcohol testing is only permissible just before an employee performs duties, during that performance, and just after an employee has performed safety-sensitive duties. Employees will be required to proceed immediately with a supervisor to a collection site following a reasonable suspicion/probable cause determination. If an alcohol test is delayed beyond two (2) hours, reason(s) for the delay must be documented. After eight (8) hours, cease all attempts and document reason(s) for inability to test.

Examples of reasonable suspicion/**probable cause** include, but are not limited to the following:

- Physical signs and symptoms consistent with prohibited substance use (illegally used controlled substance or drugs under the Drug-Free Workplace Act), or misuse of alcohol (e.g., odor of alcohol, slurred speech, or lack of coordination).
- Evidence of the manufacture, distribution, dispensing, possession, or use of controlled substances, drugs, alcohol, or other prohibited substances.
- Occurrence of a serious or potentially serious industrial accident that may have been caused by the employee's use of drugs or alcohol.
- Fights (to mean physical contact), assaults, and flagrant disregard or violations of established safety, security, or other operating procedures.

5.5CD DOT POST ACCIDENT/NON-DOT POSTACCIDENT

As soon as practicable after an accident, an employee will be required to take a drug and alcohol test per the following thresholds under FTA Post Accident testing:

 Fatality – In the event of an accident involving the loss of human life, each surviving employee operating the mass transit vehicle at the time of the accident shall be required to submit to a drug and alcohol test. Any other employee whose performance could have contributed to the accident will also be required to submit to a drug and alcohol test.

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Non-Fatal Accident – Following an accident which resulted in an injury requiring immediate medical treatment away from the scene or any vehicle being towed away from the scene with disabling damage, each employee operating the mass transit vehicle at the time of the accident shall be required to submit to a drug and alcohol test, unless the employee's performance can be completely discounted as a contributing factor to the accident. Any other employee whose performance could have contributed to the accident will also be required to submit to a drug and alcohol test.

A decision as to whether to administer a drug and alcohol test after an accident will be made by a Supervisor who was not involved in the accident and based on the best information available at the time. Accident testing is delayed while the employee assists in the resolution of the accident or receives medical attention following the accident. Following an accident, the employee(s) involved shall be tested immediately, but not to exceed eight (8) hours for alcohol testing and thirty-two (32) hours for drug testing. The responding Supervisor at the scene shall document why an alcohol test was not performed within two (2) hours of the accident, an alcohol test was not performed within eight (8) hours of the accident, or a drug test was not performed within thirty-two (32) hours of the accident. Alcohol use is prohibited by any employee required to take a post-accident alcohol test for eight hours following the accident or until he or she undergoes a post-accident alcohol test, whichever occurs first. Any employee subject to post-accident testing who fails to remain readily available for such testing, or who leaves the scene of the accident without prior authorization will be considered to have refused to submit to the test and will be subject to disciplinary action up to and including employment termination.

OCTA reserves the right to perform a non-DOT Post Accident test on an employee involved in an accident involving a mass transit or an Authority vehicle, whether or not on Authority business, which does not meet the FTA Post Accident requirements.

5.5D ■ DOT/NON-DOT RETURN-TO-DUTY FOLLOW-UP

Generally, an employee will be terminated for violations of this Policy. However, in the event an employee is suspended or placed on a leave of absence for a violation of this Policy, he/she may not return to duty until the Substance Abuse Professional (SAP) has evaluated the employee to determine whether the employee has followed the recommendation of the SAP, including active participation and completion of a rehabilitation program and he/she passes a directly observed Return-To-Duty drug and alcohol test. The SAP will recommend follow-up testing in accordance with DOT regulations. Frequency and

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duration is dependent on SAP assessment of which will be a minimum of six (6) tests during twelve (12) months after return to duty of duration of up to sixty (60) months.

Additionally, in accordance with OCTA's Policy, an employee who has been placed on a leave of absence or suspension for a positive result of a non-DOT test and who has successfully complied with the above paragraph must also execute a Behavioral Contract Attachment C before he/she may return to duty. This Contract allows Management to administer unannounced drug and/or alcohol tests to the employee for up to (5) years after the employee returns to duty. Follow-up testing under the Behavioral Contract applies only to non-DOT types of testing and is in addition to the DOT required random testing of safety-sensitive employees and/or SAP recommended follow-up testing.

5.5EF NON-DOT FIT FOR DUTY

A fit for duty medical examination including an alcohol/drug test may be required to ensure a recovered ill or injured employee is fit to return to his/her normal job duties or to continue in his/her normal job duties.

5.5FG DOT RANDOM

Only those employees who perform, or whose job description includes the performance of, safety-sensitive functions will be subject to random, unannounced testing in accordance with FTA regulations. Safety-sensitive employee selections are made using a computer-based random number selection method. Random testing may-shall include a drug screen or both a drug screen and an alcohol test. Each such employee shall have an equal chance at selection and shall remain in the pool even after being tested. Random testing will be administered at random times during OCTA's operating hours to avoid predictability. Random alcohol testing is only permissible just before an employee performs safety- sensitive duties, during that performance, and just after an employee has performed safety- sensitive duties. Each covered employee who is notified of selection for random drug or random alcohol testing must proceed to the test site immediately.

5.6 EMPLOYEE REQUESTED TESTING

After notification by the MRO of a confirmed or verified positive drug test result, **an employee** may request that an additional test be conducted at a different Department of

TESTING—SECTION 5

Health and Human Services (DHHS)-certified laboratory specified by OCTA. The test shall be conducted on the split sample that was provided at the same time as the original or primary sample. **The employee's** request must be made to the MRO within seventy-two (72) hours of notice of the primary test results.

If the result of the second test is positive, the employee shall be required to reimburse OCTA for the cost of the test.

5.7 DILUTE TESTS

If the MRO informs the Authority of a positive dilute test, the test will be considered a verified positive test.

If the MRO informs the Authority of a negative dilute test, with the creatinine between 2-5 mg/dl, then the employee must retest. The second collection must be directly observed. The test must be done immediately after notification from the MRO, with no advance notice provided. The second test result is final.

If the MRO informs the Authority of a negative dilute test with the creatinine above 5 mg/dl, then the employee will be directed to take a second test which is NOT directly observed. The result of the second test is the test of record.

Employee's refusal to retest shall be treated as a Test Refusal.

All employees will be treated the same for the purpose of processing dilute tests.

TESTING—SECTION 5

VIOLATIONS OF POLICY—SECTION 6

Violations of Policy Section 6

VIOLATIONS OF POLICY—SECTION 6

6.1 DISCIPLINARY ACTION FOR VIOLATIONS OF POLICY

Under FTA guidelines, discipline for policy violations shall be determined by the employer. In general, violation of any portion of this Policy will result in disciplinary action up to and including termination of employment, even for the first offense. This section describes the consequences for violations of this Policy.

6.1A ALCOHOL POSITIVE TEST

Any employee in a safety-sensitive position whose test results are positive for alcohol may be terminated. If the initial test indicates an alcohol concentration of 0.001 to .02, a second non-DOT alcohol test will be performed to confirm the results of the initial test. The confirmation test will be conducted after a waiting period of at least 15 minutes, but not more than 30 minutes, after completion of the initial test. A confirmed alcohol concentration greater than 0.000 will be considered a positive test and a violation of this Policy.

Positive alcohol test results for any employee not in a safety-sensitive position will be reviewed on a case-by-case basis to determine the appropriate level of discipline, which may include discharge.

6.1B ILLEGAL DRUG POSITIVE TEST

Any employee whose test results are positive for illegal drugs is subject to employment termination.

6.1C LEGAL DRUG POSITIVE TEST

As a part of OCTA policy, it is mandatory for an employee in a safety-sensitive position to submit a completed Attachment B form for any legal drug taken, which may cause drowsiness or which may otherwise impair, to any extent, the employee's ability to safely and efficiently perform his/her job. If the Attachment B form for the legal drug has not been submitted, an employee will be suspended without pay pending the receipt and review of the Attachment B form. Additionally, the safety- sensitive employee who has failed to submit the Attachment B form will receive a disciplinary Final Warning. In instances when the employee fails to timely submit the Attachment B form, the employee's employment will be subject to termination.

6.2 FAILURE TO PASS

6.2A PRE-EMPLOYMENT (POST-OFFER) DRUG AND/OR ALCOHOL TEST

An applicant for a safety-sensitive position whose test results are positive for any illegal drug or alcohol will not be hired and will be given a SAP referral by the Human Resources Department. If the applicant does not pass a drug or an alcohol test, he/she must wait twelve (12) months before reapplying and then must present evidence of completion of a drug and/or alcohol Substance Abuse Program, from a SAP acceptable to the Authority, before he/she is eligible for employment consideration.

6.2B PRE-TRANSFER, REASONABLE SUSPICION, PROBABLE CAUSE, POST-ACCIDENT, FOLLOW-UP, FIT FOR DUTY, RETURN-TO-DUTY, OR RANDOM ALCOHOL AND/OR DRUG TEST

An employee who has a positive drug or alcohol test shall be immediately removed from duty. Employees who have violated a DOT drug and alcohol regulation will be referred to a SAP by Labor and Employee Relations for evaluation and recommendations concerning education, treatment, follow-up testing, and aftercare.

An employee who applies for a transfer or promotion into a safety-sensitive position who fails a drug and alcohol test shall not be transferred or promoted into a safety-sensitive position.

6.2C NON-DOT DRUG OR ALCOHOL TEST AT TIME OF DMV RE-CERTIFICATION OR ANNUAL OR BI-ANNUAL PHYSICAL

While on duty, if an employee's test results at the time of the DMV re-recertification or an annual or bi-annual physical examination are positive for alcohol or any illegal drug, the employee shall be immediately removed from duty. If an employee is off duty and the test results are positive for alcohol or any illegal drug AND the MRO determines the use occurred while on duty, it will be treated as such.

While off duty, if an employee's test results at the time of DMV re-certification or an annual or bi-annual physical examination are positive for alcohol or any illegal drug, the employee will be suspended without pay for a minimum of thirty (30) days. The employee must enter an Authority approved substance abuse treatment program and provide verification of such to the Authority. If the employee refuses to comply with the Authority's requirement to enter an Authority approved Substance Abuse

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Program his/her employment will be terminated.

If an employee is participating in an Authority approved treatment program, and that treatment requires hospitalization, the employee may use available sick leave and/or vacation time to the extent available. All such treatment must be conducted by the hospital.

The employee must take a second non-DOT drug and alcohol test before returning to duty as directed by the Substance Abuse Counselor. If the employee does not take the second test as designated by the Authority, his/her employment will be terminated.

If the second test is positive for any alcohol or illegal drug, the employee's employment will be terminated. If the second test is negative for alcohol or illegal drugs and the MRO determines that the employee may return to duty, then the employee may return to duty only upon agreeing to the terms of and signing an Alcohol and Drug Behavioral Contract Attachment C. Violation of the Behavioral Contract will result in termination of employment.

Should the employee who has entered into a Drug and Alcohol Behavioral Contract have a positive drug or alcohol test at any subsequent DMV re-certification or annual or bi-annual physical examination, his/her employment will be immediately terminated.

Although the DMV Recertification Drug and Alcohol Testing is a non-DOT requirement, OCTA will follow DOT protocol including Direct Observation when applicable.

6.3 FAILURE OR REFUSAL TO TEST (PART 40.261)

An employee's refusal to comply with a request or directive for testing under this Policy will be considered a positive test and is grounds for employment termination. The following behaviors constitute a test refusal:

- Failure to appear for any test (except for pre-employment) within a reasonable time.
 Reasonable time means that employees are required to proceed to the clinic test site immediately upon notice of selection for a drug and/or alcohol test.
- Failure to remain at the testing site until the testing process is complete;
- Failure to provide a urine specimen for any required drug test, or fail to provide an

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adequate amount of breath for any required alcohol test, and the physician has determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;

- Failure to permit the observation or monitoring of the specimen collection when required to do so;
- Failure to provide a sufficient amount of urine when directed, and there is no adequate medical explanation for the failure;
- Failure to take a second test when directed to do so by the employer or collector;
- Failure to undergo a medical examination when directed to do so by the MRO or employer;
- Failure to sign the certification at Step 2 of the Alcohol Testing Form;
- Failure to cooperate with any part of the testing process (e.g. refuse to empty pockets when directed by the collector, behave in a confrontational way that disrupts the collection process, failure to wash hands after being directed to do so by the collector);
- Failure to follow the observer's instructions during an observed collection including
 instructions to raise your clothing above the waist, lower clothing and underpants,
 and to turn around to permit the observer to determine if you have any type of
 prosthetic or other device that could be used to interfere with the collection process;
- Possess or wear a prosthetic or other device that could be used to interfere with the collection process; and
- Admit to the collector or MRO that you adulterated or substituted the specimen.
- The MRO reports that an employee has a verified adulterated or substituted test result.

6.3A SHY BLADDER (PART 40.193, 40.195) SHY LUNG (PART 40.263, 40.265)

Any employee who does not provide a sufficient amount of breath to permit a valid breath test, must make a second attempt to provide a sufficient amount of breath. If the employee refuses to make the attempt, this will be considered a test refusal. If the employee is unable to provide the required volume of breath to permit a valid breath test, OCTA will refer the employee to a physician of our choice for a medical examination within 5 days to determine if there is a valid medical condition which precludes the employee from providing a sufficient amount of breath. If the physician finds that there is not an adequate basis for determining that a medical condition has, or with a high degree of probability, could have, precluded the employee from providing a sufficient amount of breath, the employee will be considered to have refused the test and will be subject to employment termination.

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Any employee who is unable to provide the required urine sample for drug testing within three (3) hours of the first attempt, the collection process will be discontinued and the DER notified. After consulting with the MRO, the employer will direct the employee to obtain a medical evaluation from a licensed physician who is acceptable to the MRO. The medical examination must be obtained within five (5) business days of the initial collection effort. If no evidence of health problems exists, the MRO will determine that the employee refused the test and will be subject to employment termination.

PROGRAMS—SECTION 7

Programs Section 7

PROGRAMS—SECTION 7

7.1 EMPLOYEE ASSISTANCE PROGRAM

The Authority maintains an Employee Assistance Program (EAP), which offers confidential, professional counseling to employees **and family members**. The EAP provides trained Substance Abuse Professionals (SAPs) to assist employees in dealing with drug and/or alcohol related problems before such problems impact on-job performance. Employees experiencing personal or work performance problems associated with drug or alcohol use are urged to utilize the EAP.

It is the responsibility of employees to seek assistance from the EAP before drug and/or alcohol problems lead to disciplinary action, which can include discharge for a first offense. Enrollment and participation in the EAP will not be used as the basis for disciplinary action and will not be used against the employee in any disciplinary proceeding. However, if an employee violates this Policy, his/her subsequent use of the EAP on a voluntary basis will have no bearing on the determination of disciplinary action, up to and including discharge.

In addition to employees utilizing the EAP on a voluntary basis, the EAP may also be utilized when Management refers an employee for any problems/behaviors that may be impacting job performance.

Provisions for leaves of absence for employees with drug and/or alcohol related problems who have not been found in violation of the Policy and who voluntarily seek assistance through the EAP will be considered on an individual basis.

Any employee who tests positive for the presence of alcohol or drugs at or above the DOT-established cut off levels shall be referred by Labor and Employee Relations to OCTA's EAP for an evaluation by a SAP for DOT-required tests, or an evaluation by a Substance Abuse Counselor for non-DOT required tests. The SAP or Substance Abuse Counselor will recommend education and/or treatment to the employee.

The cost of any treatment or rehabilitation services shall be paid directly by the employee or his/her insurance provider.

7.2 DRUG-FREE AWARENESS PROGRAM

To assist **employees** to understand and to avoid the perils of drug and alcohol abuse, the Authority has developed and implemented a comprehensive Drug-Free Awareness Program. The Drug-Free Awareness Program includes an ongoing educational and training

PROGRAMS—SECTION 7

effort to prevent and eliminate drug and alcohol abuse that may affect the workplace.

The Drug-Free Awareness Program also includes the Drug-Free Workplace Act Certification For A Public Or Private Entity Attachment D and the informational material to inform employees and their families about (1) the dangers of drug and alcohol abuse in the workplace; (2) the consequences of drug and/or alcohol use on personal health, safety, and the work environment; (3) the manifestation and behavioral cues that may indicate drug and/or alcohol use and abuse; (4) educate the employees about their responsibility regarding use of prescription and OTC medication (5) the Authority's Drug and Alcohol Policy Manual; (6) the availability of treatment and counseling for employees who voluntarily seek assistance for alcohol misuse and/or drug abuse, including information about the EAP and community service hotline telephone numbers; and (7) the sanctions the Authority will impose for violations of its Drug and Alcohol Policy Manual.

As required by FTA regulations, OCTA will provide a minimum of 60 minutes of training on the effects and consequences of prohibited drug use on personal health, safety, and the work environment, and on the signs and symptoms that may indicate prohibited drug use.

Supervisors and/or other company officers authorized by OCTA to make reasonable suspicion determinations shall receive at least 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use and at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse. Periodic retraining will also be required of supervisory personnel.

GLOSSARY OF TERMS—SECTION 8

Glossary of Terms Section 8

GLOSSARY OF TERMS—SECTION 8

GLOSSARY OF TERMS—SECTION 8

ADULTERATED SPECIMEN:

A specimen is considered adulterated if it contains a substance that is not a normal constituent or contains a substance that is normally present in the body at a concentration that is not a normal physiological concentration.

ALCOHOL MISUSE:

Occurs when an employee arrives at the work site with alcohol in his/her system or the odor of alcohol on his/her breath; consumes a beverage containing alcohol while on duty or subject to duty; or during coffee or lunch breaks; or is late to work or absent from work due to the consumption of alcohol.

ATTACHMENT B FORM:

The Disclosure of Prescription and Over-the-Counter Medications form; a sample of this form is provided in Attachment B of this Policy and can be obtained from a Manager, a Supervisor, the Human Resources Department, or the OCTA Intranet. Employees in safety- sensitive positions are required, under OCTA Policy, to file a completed Attachment B form.

BREATH ALCOHOL TECHNICIAN (BAT):

The Breath Alcohol Technician instructs and assists employees in the alcohol testing process; operates an evidential breath testing device.

CHAIN OF CUSTODY:

The procedure used to document the handling of the urine specimen from the time the employee gives the specimen to the collector until the specimen is destroyed. This procedure uses the Federal Drug Testing Custody and Control Form (CCF).

COLLECTION SITES:

A place selected by the employer where employees present themselves for the purpose of providing a urine specimen for a drug test.

DRUG & ALCOHOL MANAGER (DAPM):

An employee authorized by OCTA to manage and monitor the Drug and Alcohol testing program.

GLOSSARY OF TERMS—SECTION 8

DESIGNATED EMPLOYER REPRESENTATIVE (DER):

Designated Employer Representative is an employee authorized by the employer to take immediate action(s) to remove employees from safety-sensitive duties, or cause employees to be removed from these covered duties, and to make required decisions in the testing and evaluation processes.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS OR HHS):

The Department of Health and Human Services or any other designee of the Secretary, Department of Health and Human Services.

DHHS CERTIFIED LABS:

Any U.S. laboratory certified by DHHS under the National Laboratory Certification Program as meeting the minimum standards of Subpart C of the DHHS Mandatory Guidelines for Federal Workplace Drug Testing Programs.

DILUTED SPECIMEN:

Diluted specimens have creatinine and specific gravity values that are lower than expected for human urine. A dilute test will be reported as a positive or negative. For a positive dilute test, the Authority treats the result as a positive test and removes the employee from safety-sensitive duty. For a negative dilute test (See Section 5.7), the Authority will require, as a matter of policy, employees to retest. The second test is the test of record, even if the second test is also a negative dilute.

U.S. DEPARTMENT OF TRANSPORTATION (DOT):

The U.S. Department of Transportation is a government entity which oversees several agencies, including the Federal Transit Administration (FTA) or any designee of a DOT agency.

EVIDENTIAL BREATH TESTING (EBT) DEVICE:

A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential breath testing and placed on NHTSA's "Conforming Products List of Evidential Breath Measurements Devices," and conforming with the model specifications available from NHTSA Traffic Safety Program.

GLOSSARY OF TERMS—SECTION 8

FEDERAL TRANSIT ADMINISTRATION (FTA):

The Federal Transit Administration, an agency of the U.S. Department of Transportation.

INVALID SPECIMEN:

An invalid specimen is one that contains unidentified adulterant, contains an unidentified interfering substance, has an abnormal physical characteristic, or has an endogenous substance at an abnormal concentration that prevents the laboratory from completing testing or obtaining a valid drug test result.

ILLEGAL DRUG:

Any drug which (a) is not legally obtainable or (b) is legally obtainable but had not been legally obtained or is not being used for its prescribed purposes. It includes prescribed drugs not legally obtained and prescribed drugs not being used for prescribed purposes.

LEGAL DRUG:

Any drug prescribed by a physician for the employee or any over-the-counter drug which has been legally obtained which is being used for the purpose for which it has been prescribed or manufactured. A drug, which is legally obtainable but is not being used for its prescribed purposes, is an illegal drug, not a legal drug, under this Policy.

MEDICAL REVIEW OFFICER ("MRO"):

A person who is a licensed physician, with MRO certification, who is appointed and authorized by the Authority to be responsible for receiving and reviewing laboratory results generated by OCTA's drug testing program and for evaluating medical explanations for certain drug test results. The MRO shall report each verified positive test result to the DER in the Human Resources Department. The MRO will also determine (when the Authority requests such a determination) whether an employee who is taking a legal drug(s) may work while under the influence of such drug(s).

NHTSA:

National Highway Traffic Safety Administration.

GLOSSARY OF TERMS—SECTION 8

NON-SAFETY SENSITIVE POSITION:

Any position which does <u>not</u> entail any duty related to the safe operation of the Authority's mass transportation service.

POSITIVE ALCOHOL TEST:

Under the Authority's Drug and Alcohol Policy Manual, the presence of alcohol in a body at a concentration **greater than 0.000** as measured by an Evidential Breath Testing (EBT) Device.

POSITIVE DRUG TEST:

Any urine that is chemically tested (screened and confirmed) which shows the presence of controlled substances, as defined by DOT standards, and is verified by the MRO.

PRE-EMPLOYMENT TESTING:

Employees that are either applying for or transferring to a safety-sensitive position or if ninety (90) days have elapsed since the employee performed safety-sensitive duties and the individual was not in the random pool.

PROBABLE CAUSE:

The Authority will require a drug and/or an alcohol test on any employee who is reasonably suspected of violating this policy, including but not limited to, any employee suspected of possessing, using or being under the influence of alcohol or an illegal drug, a legal drug if such use would violate this policy, while on duty or in Authority vehicles or on Authority property or in Authority uniform.

REASONABLE SUSPICION:

The Federal Transit Administration (FTA) regulations require a safety-sensitive employee to submit a test when the employer has reasonable suspicion that the employee has used a prohibited drug or has misused alcohol. The request to undergo a reasonable suspicion test must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odor of the safety-sensitive employee.

GLOSSARY OF TERMS—SECTION 8

SAFETY-SENSITIVE POSITION:

Any position which entails any duty related to the safe operation of the Authority's mass transportation service, including: (a) operation of a revenue service vehicle, whether or not such vehicle is in revenue service; (b) operation of a non-revenue service vehicle that requires a CDL (c) controlling dispatch or movement of a revenue service vehicle or equipment used in revenue service; (d) maintaining revenue service of vehicles or equipment used in revenue service; (e) carrying a firearm for security purposes; and (f) supervising an employee who performs a function in (a)-(e) above and performing or called upon to perform a safety sensitive function. Positions currently classified as safety-sensitive positions are listed in Attachment A of this Policy and are subject to revision as needed.

SCREENING TEST TECHNICIAN (STT):

A person who instructs and assists employees in the alcohol testing process and operates an alcohol screening device.

SUBSTANCE ABUSE PROFESSIONAL (SAP):

An OCTA authorized licensed physician or a licensed or certified psychologist, social worker, employee assistance professional, or a certified addiction counselor, with knowledge of and clinical experience in the diagnosis and treatment of drug and related disorders; evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare. Although in most cases, an employee will be terminated for violation of this Policy; in cases in which an employee is suspended or placed on a leave of absence, OCTA will determine when/or if the employee may return to duty.

SUBSTITUED SPECIMEN:

Substituted specimens have creatinine and specific gravity values that are so diminished or so divergent that they are not consistent with normal human urine.

UNDER THE INFLUENCE:

When an employee is affected to any extent by alcohol or a drug, or metabolites of such, or the combination of alcohol and a drug, or has alcohol or a drug, or metabolites, of such, in the employee's body in any detectable amount.

END OF POLICY

GLOSSARY OF TERMS—SECTION 8

ATTACHMENTS—SECTION 9

Attachments Section 9

ATTACHMENTS—SECTION 9

ATTACHMENTS—SECTION 9

ATTACHMENT A

SAFETY-SENSITIVE POSITIONS

Any level of job classification or within the general job classification of the positions listed below are considered safety-sensitive. The listing is subject to revision and may not be all inclusive due to changes in job position titles.

- Coach Operator
- Electronic Technician
- Facilities Maintenance Technicians
- Maintenance Field Administrator
- Field Supervisor
- Instructor (Maintenance, Coach Operations)
- Mechanic
- Automotive Mechanic
- Machinist
- Radio Dispatcher
- Service Worker
- Supervisor, Maintenance
- Section Supervisor/Section Manager:
 - Central Communications
 - Facilities Maintenance
 - Field Operations
 - Bus Operations
 - Instruction
 - Vehicle Maintenance
- Window Dispatcher
- Or any other employee who operates a revenue service vehicle (whether or not the vehicle
 is in revenue service), dispatch (anyone who controls revenue service vehicles'
 movement), maintenance of a revenue service vehicle or equipment used in revenue
 service, security personnel who carry firearms, and any other employee who through
 course of employment is required to hold a Commercial Driver's License (CDL).

ATTACHMENTS—SECTION 9



ATTACHMENT B

Disclosure of Prescription and Over-the-Counter Drugs

PRESCRIPTION DRUGS-PHYSICIAN SIGNATURE REQUIRED

Instructions for Employees in Safety-Sensitive Positions

Attachment B forms are required by Orange County Transportation Authority (OCTA) for employees in Safety-Sensitive Positions.

- If you are disclosing the use of a new prescription drug, have your doctor complete "Physician" section in full with signature, attach a complete" copy of your prescription label, complete "Employee" section on this form and forward the form and attachment directly to the Benefits Section-Human Resources Department in the confidential envelope provided at each base.
- If you are disclosing a prescription drug renewal, complete "Employee" section of this form, attach a copy of your prescription renewal label, and forward directly to Benefits Section-Human Resources Department in the confidential envelope provided at each base.
- 3. Indicate in "Employee" section whether prescription is new or a refill.
- * Complete-Includes date of prescription, name of medication, dosage, directions for use, physician's name, and expiration date.

To Be Completed by Physician

(includes only those legal drugs which may cause drowsiness or impair employee's ability to safely perform his/her job duties (attached), drugs listed on Schedule I (attached), amphetamines, narcotics, or other habit forming drugs)

	the job duties of
Physician's Name	Employee's Name
	at Orange County Transportation Authority. I have
Employee's Position/Job Title	
prescribed for such employee the medication described	below on
(Please print the following information legibly):	Date
rease print the following information regiony).	
Name of Medication:	
Dosage:	
Duration to be taken:	
	nd assigned job duties and have advised the employee that the er medication will not adversely affect the employee's ability to safely perform his/her job competently and safely.
Physician's Signature	Physician's Telephone Number
Physician's Printed Name and Address Stamp	Date
To Be Cor	mpleted By Employee
10 00 00	Inpleted by Employee
I understand that, in accordance with the OCTA Alcol Section-Human Resources Department of any legal drowsiness or impair my ability to safely perform my	hol and Drug Policy, it is my obligation to inform the OCTA Benefits I drug or prescription medication I intend to take that may cause y job duties, drugs listed on Schedule I (attached), amphetamines
I understand that, in accordance with the OCTA Alcol Section-Human Resources Department of any legal drowsiness or impair my ability to safely perform my narcotics, or other habit forming drugs. Additionally, I understand that on-going or periodic us signed Attachment B form, which must be submitted	hol and Drug Policy, it is my obligation to inform the OCTA Benefits I drug or prescription medication I intend to take that may cause
understand that, in accordance with the OCTA Alcological Control of the Cotton Purpose o	thol and Drug Policy, it is my obligation to inform the OCTA Benefits I drug or prescription medication I intend to take that may cause y job duties, drugs listed on Schedule I (attached), amphetamines see of prescription drugs requires a fully completed and appropriately distance in a start, or renew taking a legal prescription drugs ications that I intend to take and that I will take such medication
I understand that, in accordance with the OCTA Alcol Section-Human Resources Department of any legal drowsiness or impair my ability to safely perform my narcotics, or other habit forming drugs. Additionally, I understand that on-going or periodic us signed Attachment B form, which must be submitted acknowledge that I will read the labels on all mediaccording to label directions.	hol and Drug Policy, it is my obligation to inform the OCTA Benefits I drug or prescription medication I intend to take that may cause y job duties, drugs listed on Schedule I (attached), amphetamines see of prescription drugs requires a fully completed and appropriately distance that I start, or renew taking a legal prescription drugs ications that I intend to take and that I will take such medication

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ATTACHMENTS—SECTION 9



ATTACHMENT B

Disclosure of Prescription and Over-the-Counter Drugs

OVER THE COUNTY	TO MEDICATION
OVER-THE-COUNTI Instructions For Employees In	
Attachment B forms are required by Orange County Safety-Sensitive positions	-
	leted By Employee
(include only those over-the-counter medications which safely perform his/her job duties (attached), drugs listed other habit forming drugs.	
, am a Safety S	ensitive employee. My job title is
Print/Type Name Legibly	Income in
Print/Type Job Title , and my work	Print/Type Work Location
☐ I take the following over-the-counter medications	as directed* on the package.
*If the medication is not taken as directed, plea	se explain:
GENERAL PAIN RELIEF	COLD/FLU MEDICATION
SINUS RELIEF	VITAMINS/MINERALS/HERBS
OTHER	OTHER
my eligibility to work, it is my obligation to inform OCTA cause drowsiness or impair my ability to safely per commercial motor vehicle. I understand that I may no legal OTC drug that contains a warning label on the par or otherwise impair my ability to safely perform the job d	use of these over-the-counter medications requires a full n. I acknowledge that I read the labels on all medication.
Employee's Signature	Employee's Badge# Date
FOR OCTA	A USE ONLY
Date HR Received:	Received by:
HR: Reviewed MRO Contacted Supervisor	Notified:
	Date/Time: ———

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ATTACHMENTS—SECTION 9



ATTACHMENT B

Disclosure of Prescription and Over-the-Counter

SCHEDULE I

[Code of Federal Regulations] [Title 21, Volume 9] [Revised as of April 1, 2013] [CITE: 21CFR1308.11]

TITLE 21 - FOOD AND DRUGS

CHAPTER II - DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE

PART 1308 -- SCHEDULES OF CONTROLLED SUBSTANCES

Sec. 1308.11 Schedule I.

(a) Schedule I shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section. Each drug or substance has been assigned the DEA Controlled Substances Code Number set forth opposite it.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters and ethers, whenever the existence of such isomers, esters, ethers and salts is possible within the specific chemical designation (for purposes of paragraph (b) (34) only, the term isomer includes the optical and geometric isomers):

(1) Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-piperidinyl]-N-phenylacetamide)	9815
(2) Acetylmethadol	9601
(3) Allylprodine	9602
(4) Alphacetylmethadol (except levo-alphacetylmethadol also known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM)	9603
(5) Alphameprodine	9604
(6) Alphamethadol	9605
(7) Alpha-methylfentanyl (N-[1-(alpha-methyl-beta-phenyl)ethyl-4-piperidyl] propionanilide; 1-(1-methyl-2-phenylethyl)-4-(N-propanilido) piperidine)	9814
(8) Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide)	9832
(9) Benzethidine	9606
(10) Betacetylmethadol	9607
(11) Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide)	9830
(12) Beta-hydroxy-3-methylfentanyl (other name: N-[1-(2-hydroxy-2-phenethyl)-3-methyl-4- piperidinyl]-N-phenylpropanamide	9831
(13) Betameprodine	9608
(14) Betamethadol	9609
(15) Betaprodine	9611

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ATTACHMENTS—SECTION 9

(16) Clonitazene	9612
(17) Dextromoramide	9613
(18) Diampromide	9615
(19) Diethylthiambutene	9616
(20) Difenoxin	9168
(21) Dimenoxadol	9617
(22) Dimepheptanol	9618
(23) Dimethylthiambutene	9619
(24) Dioxaphetyl butyrate	9621
(25) Dipipanone	9622
(26) Ethylmethylthiambutene	9623
(27) Etonitazene	9624
(28) Etoxeridine	9625
(29) Furethidine	9626
(30) Hydroxypethidine	9627
(31) Ketobemidone	9628
(32) Levomoramide	9629
(33) Levophenacylmorphan	9631
(34) 3-Methylfentanyl (N-[3-methyl-1-(2-phenylethyl)-4-piperidyl]-N-phenylpropanamide)	9813
(35) 3-methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide)	9833
(36) Morpheridine	9632
(37) MPPP (1-methyl-4-phenyl-4-propionoxypiperidine)	9661
(38) Noracymethadol	9633
(39) Norlevorphanol	9634
(40) Normethadone	9635
(41) Norpipanone	9636
(42) Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phenethyl)-4-piperidinyl] propanamide	9812
(43) PEPAP (1-(-2-phenethyl)-4-phenyl-4-acetoxypiperidine	9663
(44) Phenadoxone	9637
(45) Phenampromide	9638
(46) Phenomorphan	9647
(47) Phenopendine	9641
(48) Piritramide	9642
(49) Proheptazine	9643
(50) Properidine	9644
(51) Propiram	9649
(52) Racemoramide	9645
(53) Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-propanamide	9835
(54) Tilidine	9750
(55) Trimeperidine	9646

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ATTACHMENTS—SECTION 9

(c) Opium derivatives. Unless specifically excepted or unless listed in another schedule, any of the following opium derivatives, its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) Acetorphine	9319
(2) Acetyldihydrocodeine	9051
(3) Benzylmorphine	9052
(4) Codeine methylbromide	9070
(5) Codeine-N-Oxide	9053
(6) Cyprenorphine	9054
(7) Desomorphine	9055
(8) Dihydromorphine	9145
(9) Drotebanol	9335
(10) Etorphine (except hydrochloride salt)	9056
(11) Heroin	9200
(12) Hydromorphinol	9301
(13) Methyldesorphine	9302
(14) Methyldihydromorphine	9304
(15) Morphine methylbromide	9305
(16) Morphine methylsulfonate	9306
(17) Morphine-N-Oxide	9307
(18) Myrophine	9308
(19) Nicocodeine	9309
(20) Nicomorphine	9312
(21) Normorphine	9313
(22) Pholcodine	9314
(23) Thebacon	9315

(d) Hallucinogenic substances. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation, which contains any quantity of the following hallucinogenic substances, or which contains any of its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation (for purposes of this paragraph only, the term "isomer" includes the optical, position and geometric isomers):

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ATTACHMENTS—SECTION 9

ATTACHMENT B

Disclosure of Prescription and Over-the-Counter

(1) Alpha-ethyltryptamine	7249
Some trade or other names: etryptamine; Monase; [alpha]-ethyl-1H-indole-3-ethanamine; 3-(2-aminobutyl) indole; [alpha]-ET; and AET.	
(2) 4-bromo-2,5-dimethoxy-amphetamine	7391
Some trade or other names: 4-bromo-2,5-dimethoxy-[alpha]-methylphenethylamine; 4-bromo-2,5-DMA	
(3) 4-Bromo-2,5-dimethoxyphenethylamine	7392
Some trade or other names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha- desmethyl DOB; 2C-B, Nexus.	
(4) 2,5-dimethoxyamphetamine	7396
Some trade or other names: 2,5-dimethoxy-[alpha]-methylphenethylamine; 2,5-DMA	
(5) 2,5-dimethoxy-4-ethylamphet-amine	7399
Some trade or other names: DOET	
(6) 2,5-dimethoxy-4-(n)-propylthiophenethylamine (other name: 2C-T-7)	7348
(7) 4-methoxyamphetamine	7411
Some trade or other names: 4-methoxy-[alpha]-methylphenethylamine; paramethoxyamphetamine, PMA	
(8) 5-methoxy-3,4-methylenedioxy-amphetamine	7401
(9) 4-methyl-2,5-dimethoxy-amphetamine	7395
Some trade and other names: 4-methyl-2,5-dimethoxy-[alpha]-methylphenethylamine; "DOM" and "STP"	
(10) 3,4-methylenedioxy amphetamine	7400
(11) 3,4-methylenedioxymethamphetamine (MDMA)	7405
(12) 3,4-methylenedioxy-N-ethylamphetamine (also known as N-ethyl-alpha-methyl- 3,4(methylenedioxy)phenethylamine, N-ethyl MDA, MDE, MDEA	7404
(13) N-hydroxy-3,4-methylenedioxyamphetamine (also known as N-hydroxy-alpha-methyl- 3,4(methylenedioxy)phenethylamine, and N-hydroxy MDA	7402
(14) 3,4,5-trimethoxy amphetamine	7390
(15) 5-methoxy-N,N-dimethyltryptamine Some trade or other names: 5-methoxy-3-[2- (dimethylamino)ethyl]indole; 5-MeO-DMT	7431
(16) Alpha-methyltryptamine (other name: AMT)	7432
(17) Bufotenine	7433

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ATTACHMENTS—SECTION 9

Some trade and other names: 3-([beta]-Dimethylaminoethyl)-5-hydroxyindole; 3-(2-	
dimethylaminoethyl)-5-indolol; N, N-dimethylserotonin; 5-hydroxy-N,N-dimethyltryptamine; mappine	
	434
Some trade and other names: N.N-Diethylt Page of 12 ET	_
	435
Some trade or other names: DMT	
	439
	260
Some trade and other names: 7-Ethyl-6,6[beta],7,8,9,10,12,13-octahydro-2-methoxy-6,9-methano-5H-pyrido [1', 2':1,2] azepino [5,4-b] indole; Tabernanthe iboga	
(22) Lysergic acid diethylamide Paperd 9 73	315
(23) Marihuana 73	360
(24) Mescaline 73	381
(25) Parahexyl7374; some trade or other names: 3-Hexyl-1-hydroxy-7, 8, 9, 10-tetrahydro-6, 6, 9-trimethyl-6H-dibenzo[b,d]pyran; Synhexyl.	
(26) Peyote 74	415
Meaning all parts of the plant presently classified botanically as Lophophora williamsii Lomaire, whether growing or not, the seeds thereof, any extract from any part of such plant, and	
every compound, manufacture, salts, derivative, mixture, or preparation of such plant, its seeds or extracts	
(Interprets 21 USC 812(c), Schedule I(c) (12))	
	482
(28) N-methyl-3-piperidyl benzilate 74	484
(29) Psilocybin 74	437
(30) Psilocyn [74	438
(31) Tetrahydrocannabinols 73	370
Meaning tetrahydrocannabinols naturally contained in a plant of the genus Cannabis (cannabis plant), as well as synthetic equivalents of the substances contained in the cannabis plant, or in the resinous extractives of such plant, and/or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following:	
l cis or trans tetrahydrocannabinol, and their optical isomers	
6 cis or trans tetrahydrocannabinol, and their optical isomers	
3, 4 cis or trans tetrahydrocannabinol, and its optical isomers	
(Since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions covered.)	
(32) Ethylamine analog of phencyclidine 74	455
Some trade or other names: N-ethyl-1-phenylcyclohexylamine, (1- phenylcyclohexyl)ethylamine, N-(1-phenylcyclohexyl)ethylamine, cyclohexamine, PCE	
(33) Pyrrolidine analog of phencyclidine 74	458
Some trade or other names: 1-(1-phenylcyclohexyl)-pyrrolidine, PCPy, PHP	
(34) Thiophene analog of phencyclidine 74	470

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Some trade or other names: 1-[1-(2-thienyl)-cyclohexyl]-piperidine, 2-thienylanalog of phencyclidine, TPCP, TCP	
(35) 1-[1-(2-thienyl)cyclohexyl]pyrrolidine	7473
Some other names: TCPy	
(36) 4-methylmethcathinone (Mephedrone)	1248
(37) 3,4-methylenedioxypyrovalerone (MDPV)	7535
(38) 2-(2,5-Dimethoxy-4-ethylphenyl)ethanamine (2C-E)	7509
(39) 2-(2,5-Dimethoxy-4-methylphenyl)ethanamine (2C-D)	7508
(40) 2-(4-Chloro-2,5-dimethoxyphenyl)ethanamine (2C-C)	7519
(41) 2-(4-Iodo-2,5-dimethoxyphenyl)ethanamine (2C-I)	7518
(42) 2-[4-(Ethylthio)-2,5-dimethoxyphenyl]ethanamine (2C-T-2)	7385
(43) 2-[4-(Isopropylthio)-2,5-dimethoxyphenyl]etl **** -T-4)	7532
(44) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H)	7517
(45) 2-(2,5-Dimethoxy-4-nitro-phenyl)ethanamine (2C-N)	7521
(46) 2-(2,5-Dimethoxy-4-(n)-propylphenyl)ethanamine (2C-P)	7524
(47) 3,4-Methylenedioxy-N-methylcathinone (Methylone)	7540

(e) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) gamma-hydroxybutyric acid (some other names include GHB; gamma-hydroxybutyrate; 4- hydroxybutyrate; 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate)	2010
(2) Mecloqualone	2572
(3) Methaqualone	2565

(f) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

(1) Aminorex (Some other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; or 4,5-dihydro-5-	1585
phenly-2-oxazolamine)	1303
(2) N-Benzylpiperazine (some other names: BZP, 1-benzylpiperazine)	7493
(3) Cathinone	1235
Some trade or other names: 2-amino-l-phenyl-l-propanone, alpha-aminopropiophenone, 2- aminopropiophenone, and norephedrone	
(4) Fenethylline	1503
(5) Methcathinone (Some other names: 2-(methylamino)-propiophenone; alpha- (methylamino)propiophenone; 2-(methylamino)-1-phenylpropan-1-one; alpha-N- methylaminopropiophenone; monomethylpropion; ephedrone; N-methylcathinone; methylcathinone; AL-464; AL-422; AL-463 and UR1432), its salts, optical isomers and salts of optical isomers	1237
(6) (+/-)cis-4-methylaminorex ((+/-)cis-4,5-dihydro-4-methyl-5-phenyl-2-oxazolamine)	1590

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ATTACHMENTS—SECTION 9

(7) N-ethylamphetamine	1475
(8)N,N-dimethylamphetamine (also known asN,N-alpha-trimethyl-benzeneethanamine;N,N-alph trimethylphenethylamine)	1480

(g) Cannabimimetic agents. Unless specifically exempted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances, or which contains their salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP-47,497)	7297
(2) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (cannabicyclohexanol or CP-47,497 C8-homolog)	7298
(3) 1-pentyl-3-(1-naphthoyl)indole (JWH-018 and AM678)	7118
(4) 1-butyl-3-(1-naphthoyl)indole (IWH-073)	7173
(5) 1-hexyl-3-(1-naphthoyl)indole (JWH-019)	7019
(6) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (TWH-200)	7200
(7) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250)	6250
(8) 1-pentyl-3-[1-(4-methoxynaphthoyl)]indole (JWH-081)	7081
(9) 1-pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122)	7122
(10) 1-pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398)	7398
(11) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM2201)	7201
(12) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM694)	7694
(13) 1-pentyl-3-[(4-methoxy)-benzoyl]indole (SR-19 and RCS-4)	7104
(14) 1-cyclohexylethyl-3-(2-methoxyphenylacetyl)indole 7008 (SR-18 and RCS-8)	7008
(15) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203)	7203

- (h) Temporary listing of substances subject to emergency scheduling. Any material, compound, mixture or preparation which contains any quantity of the following substances:
- (1) 3,4-methylenedioxy-N-methylcathinone (Other names: methylone)--7540
- (2) 5-(1,1-Dimethyloctyl)-2-[(1R, 35)-3-hydroxycyclohexyl]-phenol, its optical, positional, and geometric isomers, salts and salts of isomers--7298 (Other names: cannabicyclohexanol and CP-47,497 C8 homologue)
- (3) 1-Butyl-3-(1-naphthoyl)indole, its optical, positional, and geometric isomers, salts and salts of isomers--7173 (Other names: JWH-073)
- (4) 1-[2-(4-Morpholiny1)ethy1]-3-(1-naphthoy1)indole, its optical, positional, and geometric isomers, salts and salts of isomers-7200 (Other names: <math>JWH-200)
- (5) 1-Pentyl-3-(1-naphthoyl)indole, its optical, positional, and geometric isomers, salts and salts of isomers--7118 (Other names: JWH-018 and AM678)
- (6) 4-methyl-N-methylcathinone--1248 (Other names: mephedrone)
- (7) 3,4-methylenedioxy-N-methylcathinone- Passd 2 r names: methylone)

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ATTACHMENTS—SECTION 9

- (8) 3,4-methylenedioxypyrovalerone--7535 (Other names: MDPV)
- (9) (1-pentyl-1H -indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone, its optical, positional, and geometric isomers, salts and salts of isomers--7144 (Other names: UR-144, 1-pentyl-3-(2,2,3,3-tetramethylcyclopropoyl)indole)
- $(10) \quad [1-(5-fluoro-pentyl)-1H-indol-3-yl] \ (2,2,3,3-tetramethylcyclopropyl) methanone, its optical, positional, and geometric isomers, salts and salts of isomers-7011 \ (Other names: 5-fluoro-UR-144, 5-F-UR-144, XLR11, 1-(5-fluoro-pentyl)-3-(2,2,3,3-tetramethylcyclopropoyl) indole)$
- $(11) \textit{N} (1-\text{adamantyl}) 1 \text{pentyl} 1 \textit{H} \text{indasole-3-carboxamide, its optical, positional, and geometric isomers, salts and salts of isomers--7048 (Other names: APINACA, AKB48)$
- [39 FR 22141, June 20, 1974]

Editorial Note:

For Federal Register citations affecting 1308.11, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and atwww.fdsys.gov.

ATTACHMENTS—SECTION 9

ATTACHMENT B

Disclosure of Prescription and Over-the-Counter Drugs

SUMMARY OF SAFETY SENSITIVE JOB DUTIES

Central Communications-

Under general supervision, provides management by monitoring and coordinating the delivery of a 24/7 fixed route bus service through two-way radio communications with bus drivers, ensures safe, reliable, courteous service. Provides customer service to both internal and external customers.

Coach Operator-

Responsible for safely operating all types of agency motor coaches/ buses and on-board equipment to transport passengers over specified routes. Position requires a commercial driver's license with passenger endorsement.

Field Supervisor-

Under general supervision and with the support of Central Communications, physically manages the 24/7 bus system to ensure safe, reliable, courteous service. Provides customer service to both internal and external customers. Position requires a commercial driver's license with passenger endorsement.

Line Supervisor -

Under general direction, supervises maintenance employees in the repair, maintenance, cleaning, servicing, and/or revenue transferring for the agency's fleet of buses and other vehicles.

Mechanic-

Under supervision, diagnoses and makes mechanical repairs to buses and other automotive equipment. Position requires a commercial driver's license with passenger endorsement.

Service Worker

Under direct supervision, performs vehicle movement, servicing, fueling, refilling consumables, repairs and cleaning. Position requires a commercial driver's license with passenger endorsement.

Window Dispatcher-

Under general supervision, provides management by monitoring and coordinating the delivery of a 24/7 fixed route bus service from the base, ensuring safe, reliable, courteous service. Provides customer service to both internal and external customers.

Facilities Technician-

Under the general supervision is responsible for mechanical and preventive maintenance of agency buildings, facilities, and compressed gas facilities.

Instructor (Bus Operations & Maintenance)

Bus Operations

Under minimal supervision, conducts classroom and on-the-job training for Coach Operators with a focus on customer service, safety, courtesy, and reliability. Designs, develops, and implements training programs that meet regulatory and agency guidelines. Evaluates student performance and administers discipline.

Maintenance

Under general supervision, researches, designs, coordinates, and presents training classes, which include maintenance of vehicles, use of tools and equipment, and Maintenance Certification Training. Provides consultation on technical vehicle issues.

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ATTACHMENTS—SECTION 9

ATTACHMENT B

Disclosure of Prescription and Over-the-Counter Drugs

SUMMARY OF SAFETY SENSITIVE JOB DUTIES

Other-

Any employee who operates a revenue service vehicle (whether or not the vehicle is in revenue service), dispatch (anyone who controls revenue service vehicles' movement), maintenance of a revenue service vehicle or equipment used in revenue serve, security personnel who carry firearms, and any other employee who through course of employment is required to hold a Commercial Driver's License (COL).

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ATTACHMENTS—SECTION 9

ATTACHMENTS—SECTION 9

ATTACHMENT C

DRUG AND ALCOHOL BEHAVORIAL CONTRACT

I understand that I will be allowed to continue my employment with Orange County Transportation Authority if I will participate in and submit continuing documentation on a monthly basis of my participation in an Authority approved substance abuse treatment program. Additionally, u p o n successful completion of said program, I will provide the necessary documentation of such.

I agree not to use illegal drugs, including marijuana and alcohol, in accordance with the Authority's Alcohol/Drug Policy.

I understand that in order to return to my employment, I must submit to additional alcohol/drug test(s) and that such test(s) demonstrate there is no trace of alcohol or a drug or metabolite of any drug in my system.

I also understand that during the sixty (60) months following my return to work I may be tested without prior notice and if there is any trace of drug or metabolites and/or alcohol in my system, my employment with Orange County Transportation Authority will be terminated. Additionally, I understand that refusal to submit to such a test will result in the termination of my employment.

I understand and agree to all the above conditions. I also understand and agree that failure to meet all terms and conditions of this commitment will result in the termination of my employment, with no Hearing Before Discharge and no right of appeal through the grievance procedure.

Employee Signature	Date
Union Representative Signature	Date
Base Manager Signature	Date
Labor and Employee Relations Representative Signature	Date

ATTACHMENTS—SECTION 9

ATTACHMENT D

DRUG -FREE WORKPLACE ACT CERTIFICATION FOR A PUBLIC OR PRIVATE ENTITY

Orange County Transportation Authority (OCTA or Authority) has a vital interest in providing its employees with safe and healthful working conditions and providing its riders and the public with high quality public transportation that is effective, safe and efficient. Therefore, OCTA is committed to establishing and maintaining a work environment free from the influence of drug and alcohol.

The Orange County Transportation Authority certifies that it will strive to provide a drug-free workplace through the following steps:

- Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in OCTA's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- 2. Establishing an on-going drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) OCTA's policy of maintaining a drug-free workplace;
 - (c) Potential dangers associated with the use of prescription (Rx) and over-thecounter (OTC) medications;
 - (d) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (e) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- Requiring that each employee, including those engaged in the performance of a grant or cooperative agreement, be given a copy of the statement required by paragraph one (1) above.
- Notifying employees, in the statement required by paragraph one (1), that as a condition of employment under any grant or cooperative agreement the employees will:
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his/her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.

ATTACHMENT D

DRUG-FREE WORKPLACE ACT CERTIFICATION FOR A PUBLIC OR PRIVATE ENTITY

- 5. Notifying the Federal agency in writing within ten (10) calendar days after receiving notice from an employee under subparagraph four (4) (b) above or receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every project officer or other designee on whose project activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant or cooperative agreement.
- Taking one of the following actions within thirty (30) calendar days of receiving notice under subparagraph four (4) (b) above, with respect to any employee who is so convicted:
 - (a) Take appropriate personnel action against such an employee, up to and including employment termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Require such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or other appropriate agency.
- Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs one (1) through six (6) above.

OCTA's headquarters is located at the following address. Addresses of other OCTA workplace sites maintained by OCTA are either attached or available upon request.

Orange County Transportation Authority 550 South Main Street PO BOX 14184

Orange, CA 92863-1584

Darrell Johnson

Chief Executive Offices

Orange County Transportation Authority

Date

ATTACHMENTS—SECTION 9

ATTACHMENT E

DRUG AND ALCOHOL POLICY MANUAL TEST REASONS AND REQUIREMENTS TABLE

Test Reason	Drug Test Requirement	Alcohol Test Requirement
Bi-Annual Physical	OCTA	OCTA
Behavioral Contract	OCTA	OCTA
DMV Certification/Re-Certification	OCTA	OCTA
Fit for Duty	OCTA	OCTA
Follow-Up Test	DOT	DOT
Post Accident resulting in a fatality	DOT	DOT
Post Accident resulting in injury treatment away from scene	DOT	DOT
Post Accident resulting in any vehicle towed	DOT	DOT
Post Accident (none of the above or non-revenue service vehicle)	ОСТА	ОСТА
Pre-Employment/Post Offer (Safety-Sensitive)	DOT	ОСТА
Probable Cause (Non-Safety Sensitive)	OCTA	OCTA
Random	DOT	DOT
Reasonable Suspicion (Safety-Sensitive)	DOT	DOT
Return to Duty	DOT	DOT

All of the above tests and reasons for testing are described in Section 5 of the Drug and Alcohol Policy Manual.

ATTACHMENTS—SECTION 9

ATTACHMENT F

CONTACT PERSONS

For more information or questions about the OCTA Drug and Alcohol Policy Manual or testing program, please contact a staff member in the Human_Resources_Health, Safety, and Environmental Compliance Department at the telephone numbers listed below. Each of these Contact Persons are located at the OCTA Administrative Offices: 600 South Main Street; PO Box 14184; Orange, CA 92863-1584.

Drug and Alcohol Program Manager/
 Designated Employer Representative

(714) 560-5809507

Designated Employer Representative

(714) 560-5827

ATTACHMENTS—SECTION 9

ATTACHMENT G

ACKNOWLEDGEMENT OF RECEIPT OF OCTA DRUG AND ALCOHOL POLICY MANUAL

I, the undersigned, have received a copy of the Orange County Transportation Authority (OCTA or Authority) Drug and Alcohol Policy Manual, which complies with the Federal Transit Administration (FTA) and U.S. Department of Transportation (DOT) regulations, 49 CFR Part 40 and Part 655 as amended. I understand that nothing in this publication is intended to supplement, alter or serve as an official interpretation of 49 CFR Part 40 or DOT agency regulations.

I understand and acknowledge that compliance with this Policy is a condition of my employment and that if I violate any provision of this Policy I will be subject to disciplinary action, which may include termination of employment. Further, I understand that it is my responsibility to read, understand and comply with the Drug and Alcohol Policy Manual.

Employee Name (Print)	Employee Badge #
Employee Signature	
Date	

ATTACHMENT H

APPROVAL OF POLICY BY BOARD OF DIRECTORS



AFFILIATED AGENCIES

Orange County
Tennel Dietrict

Local Transportation Authority

Service Authority for Freeway Emergencies

Consolidated Transportation Service Agency

Congestion Management Agency

> Service Authority for Abendoned Vehicles

APPROVAL OF POLICY BY BOARD OF DIRECTORS

MINUTE EXCERPT

The following is an excerpt from the Minutes of the Orange County Transportation Authority Board of Directors meeting held on February 9, 2015.

6. Drug and Alcohol Policy Manual

A motion was made by Director Murray, seconded by Director Spitzer, and declared passed by those present, to:

- A. Approve the Orange County Transportation Authority's Drug and Alcohol Policy Manual.
- Authorize the Chief Executive Officer to certify the Orange County Transportation Authority's Drug-Free Workplace Act Statement.

Director Nelson was not present to vote on this item.

The foregoing excerpt will be presented to the Board of Directors on February 23, 2015, as part of the completed minutes of the February 9, 2015, OCTA Board of Directors' meeting.

Laurena Weinert Clerk of the Board

Dated: February 11, 2015

Orange County Transportation Authority
550 South Main Street / P.O. Box 14184 / Orange / California 92863-1584 / (714) 560-OCTA (6282)



2015 Revision





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: SB 1 (Chapter 5, Statues of 2017) Programs Update

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file as an information item.



April 2, 2018

To:

Regional Planning and Highways Committee

From:

Darrell E. Johnson, Chief Executive Officer

Subject:

SB 1 (Chapter 5, Statutes of 2017) Programs Update

Overview

SB 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, will provide an estimated \$52.5 billion for transportation purposes over the next ten years, with investments targeted towards fix-it-first purposes on local streets and roads, highways, transit operations and maintenance, capital investments, and active transportation. An update on the status and general requirements of key competitive programs are presented for review.

Recommendation

Receive and file as an information item.

Background

SB 1 provides significant supplemental funding to many existing programs and creates several new funding programs. At its core, SB 1 is about maintaining existing state and local transportation infrastructure. In addition, SB 1 provides significant supplemental public transit funding to stem the declining trend in traditional transit funding. SB 1 will nearly double local street and roads funding for each city and county, with an emphasis on projects that improve pavement condition, enhance safety, implement complete street elements, and upgrade traffic control devices.

With respect to transit, SB 1 provides an additional \$18 million in new transit funding per year for Orange County (County). This doubles the amount of transit funding provided to the County when compared to existing State Transit Assistance funding. SB 1 also stabilized the State Transportation Improvement Program, which the Orange County Transportation Authority (OCTA) typically uses for a mix of highway and commuter rail projects. In addition, SB 1 provides competitive funding opportunities for a wide range of transportation projects.

The California Transportation Commission (CTC), the California State Transportation Agency, and the California Department of Transportation (Caltrans) have received applications and project nominations for various competitive and

have received applications and project nominations for various competitive and non-competitive capital funding programs, summarized in the table below (also referenced in Attachment A):

Program	Cycle Amount	Applications Due	Program Adoption
2017 Active Transportation Program Augmentation	\$200 million	August 2017	October – December 2017
State Transportation Improvement Program	\$260 million*	December 2017	March 2018
Local Partnership Program (Formula)	\$200 million	December 2017	January 2018
Transit Intercity Rail Capital Program	\$2.4 billion	January 2018	April/May 2018
Local Partnership Program (Competitive)	\$300 million	January 2018	May 2018
Trade Corridor Enhancement Program	\$1.34 billion	January 2018	May 2018
State of Good Repair (Transit)	\$105 million	January 2017	March – May 2018
Solutions for Congested Corridors	\$1.0 billion	February 2018	May 2018
2019 Active Transportation Program	\$440 million	July 2018	January – June 2019

^{*} Approximate OCTA Share of the 2018 STIP

Discussion

In October 2017, the Board of Directors (Board) received a report on the SB 1 competitive programs and a list of potential projects that were being considered for submittal. Overall, OCTA and Caltrans District 12 have submitted over \$480 million in grant applications for SB 1 programs. The table below provides a summary of project submittals that have taken place since the October 2017 informational item. It should be noted that OCTA worked closely with Caltrans District 12 and local agencies to develop the applications.

Submitted Projects	Total Requested
State Transportation Improvement Program¹ (S	STIP)
I-5 Widening (SR-73 to Oso Parkway, Segment 1)	\$73.74 million
I-5 Widening (Alicia Parkway to El Toro Road, Segment 3)	\$69.90 million
I-5 Widening from SR-73 to El Toro Road Landscaping	\$6 million
I-5 Widening (I-405 to SR-55 {APDE})	\$12.63 million
SR-55 Orange County Central Corridor Improvements from I-405 to I-5	\$80 million
SR-57 Truck Climbing Lane Phase 1 Lambert Road Interchange	\$9 million
SR-57 Truck Climbing Lane Phase 2 (APDE)	\$4.05 million
Local Partnership Program Formula (LPP-F	=)
I-5 Widening (SR-73 to Oso Parkway, Segment 1)	\$18.24 million
Transit Intercity Rail Capital Program (TIRC	P)
 Electric Rapid Orange County Bravo! Rapid Bus Traffic Signal Priority Ten Battery-Electric Buses (Charging Depots and Utility Upgrades) Solar Canopies at Bus Bases 	\$26.41 million
Local Partnership Program Competitive	
Traffic Signal Synchronization (Katella Avenue, Main Street, Los Alisos, and Garden Grove Boulevard)	\$6.85 million
Trade Corridor Enhancement Program (TCEP) – Caltra	ns Submittal
SR-57 Truck Climbing Lane – Phase 1 Lambert Interchange	\$65.66 million
State of Good Repair Formula	
Ten Hydrogen Buses	\$5.61 million
Heating Ventilation Unit Replacement Anaheim Base	\$0.07 million

 $^{^{\}rm 1}$ The 2018 STIP provides approximately \$260 million to OCTA, part of which comes from SB 1.

 Central Orange County Corridor Improvement Project SR-55 Orange County Central Corridor Improvements from I-405 to I-5 – High-Occupancy Vehicle Lanes 	\$101.98 million
 Signal synchronization (MacArthur Boulevard/ Talbert Avenue, Warner Avenue, Edinger Avenue) Bravo! Main Street Rapid Bus Route – Five Hydrogen Buses 11 Active Transportation Projects (cities of Anaheim, Costa Mesa, Fullerton, Irvine, Santa Ana, Tustin, and the County of Orange) 	

I-5 – Interstate 5 SR-55 – State Route 55 SR-73 – State Route 73 SR-57 - State Route 57

I-405 – Interstate 405 APDE – Advance Project Development Element

Additional information on each of these funding programs, as well as SB 1 planning grant requests, are provided in Attachment A.

Next Steps

The CTC is expected to approve project awards for four SB 1 programs, LPP-F, TIRCP, TCEP and SCCP at their May 2018 meeting. Staff will return to the Board this summer to accept funding awarded to OCTA-led projects.

Summary

Information regarding the CTC Implementation Plan for SB 1 competitive funding programs and OCTA projects submitted for consideration is provided for Board review and consideration.

Attachment

A. SB 1 (Chapter 5, Statutes of 2017) – Capital Funding Programs Update

Prepared by:

Adriann Cardoso Capital Programming Manager (714) 560-5915 Kia Mortazavi

Approved by:

Executive Director, Planning

(714) 560-5741

SB 1 (Chapter 5, Statutes of 2017) - Capital Funding Programs Update

Active Transportation Program (ATP)

The purpose of the ATP is to encourage increased use of active modes of transportation by achieving the following goals:

- Increase the proportion of trips accomplished by biking and walking,
- Increase safety and mobility for non-motorized users,
- Advance the active transportation efforts of regional agencies to achieve greenhouse gas reduction (GHG) goals,
- Enhance public health,
- Ensure that disadvantaged communities fully share in the benefits of the program,
- Provide a broad spectrum of projects to benefit many types of active transportation users.

Typically, the Orange County Transportation Authority (OCTA) does not apply directly for ATP funds except to request support for regional planning studies. However, Orange County agencies were awarded \$7.93 million for nine projects in the 2017 ATP augmentation. This replaced OCTA-funded federal Congestion Mitigation and Air Quality Improvement Program funds that would have been used for the 2016 Bicycle Corridor Improvement Program (BCIP) call for projects (call), freeing up capacity to provide funds to three additional BCIP projects.

The 2018 ATP is expected to be released in May 2018. Applications are due July 2018. The projects will be awarded next year.

State Transportation Improvement Program (STIP)

As described in the 2018 STIP Update staff report, on the April 2, 2018 Regional, Planning and Highways agenda, and the April 9, 2018 Board of Directors agenda, the STIP is a major source of funding for transportation improvements throughout the State of California. Every two years, state and federal transportation revenues are forecasted and programmed for the subsequent five-year period, including SB 1 revenues generated through what was previously called the price-based excise tax. This is a formula program for OCTA and the referenced staff report describes the program in detail.

Local Partnership Program (LPP)

The LPP provides funding to reward existing self-help counties and agencies that have passed transportation fee programs. It is also intended to incentivize aspiring agencies to achieve the voter thresholds required to impose local sales tax and other fees for transportation. OCTA relied on Measure M to apply for this program.

The Interstate 5 (I-5) improvements from State Route 73 to Oso Parkway Project was submitted on December 15, 2017, for \$18.24 million in LPP Formula funds.

SB 1 (Chapter 5, Statutes of 2017) – Capital Funding Programs Update

On January 31, 2018, the California Transportation Commission (CTC) approved a program of projects that included the I-5 project. The use of these funds for this project was included in the September 2017 item on the proposed STIP plan and is reflected in the accompanying 2018 STIP item.

OCTA submitted an application for Traffic Signal Synchronization on four corridors requesting \$6.85 million in LPP competitive funds on January 30, 2018. The application will support projects that were submitted by local agencies for consideration of funding to OCTA for Measure M2 signal synchronization funds. If approved, the funds would support OCTA-led projects in the cities of Anaheim, Garden Grove, Irvine, and Mission Viejo.

Awards will be announced on May 16, 2018. There were 91 projects submitted for consideration of funding, totaling \$901 million in statewide requests. There is \$300 million available through this call.

Transit and Intercity Rail Capital Program (TIRCP)

The TIRCP provides funding for transformative capital improvements that modernize intercity, commuter, and urban rail systems, bus transit systems with a goal to reduce GHG emissions, vehicle miles traveled, and congestion.

Orange County submitted one project, the Electric Rapid Orange County Project, which requested \$26.41 million to support the purchase of battery electric buses, rapid bus signal priority, and the installation of solar panels at the bus bases. Awards are expected to be announced by the California State Transportation Agency in May 2018.

Trade Corridor Enhancement Program (TCEP)

The State Route 57 Truck Climbing Lane Phase I – Lambert Road Interchange Project was submitted on January 30, 2018 for \$65.66 million in total TCEP funds. The application was closely coordinated with the City of Brea and the California Department of Transportation (Caltrans). The TCEP is divided into a regional share and a state share. Caltrans partnered with the City of Brea and submitted \$38.6 million for the state share. OCTA worked with the Southern California Association of Governments and is supporting Caltrans' request for \$27.06 million for the regional share.

The CTC is expected to provide the list of approved projects on May 16, 2018. There were 43 projects submitted for consideration of funding. The total funding requested is \$1.96 billion. The funding amount available through this call is \$1.34 billion.

Solutions for Congested Corridors Program (SCCP)

The purpose of the SCCP is to provide funding to achieve a balanced set of transportation, environmental, and community access improvements to reduce congestion throughout the state.

SB 1 (Chapter 5, Statutes of 2017) - Capital Funding Programs Update

OCTA, in partnership with Caltrans, combined four project types into the Orange County Central Corridor Improvement Project and requested a total of \$101.98 million in SCCP competitive funds on February 16, 2018. OCTA and Caltrans together requested a state (\$35 million) and local (\$35 million) share of the program for the high-occupancy vehicle lanes for the State Route 55 Orange County Central Corridor Improvement Project from Interstate 405 to I-5, signal synchronization on MacArthur Boulevard, Warner Avenue, and Edinger Avenue for \$12 million, five hydrogen buses for Bravo! Main Street for \$4.33 million, and active transportation projects in the cities of Anaheim, Costa Mesa, Fullerton, Irvine, Santa Ana, Tustin, and the County of Orange for \$15.65 million.

The CTC is expected to provide the list of approved projects on May 16, 2018. The CTC made \$1 billion available from the SCCP in this cycle. There were 34 projects submitted for consideration of funding, totaling \$2.54 billion.

In the establishment of this program, the statute identified five corridors around the state as examples of corridors and corridor planning that should be mirrored, and as corridors that need funding for improvements. While they were not clearly prioritized, they were identified as good examples of the types of projects that should be funded.

State of Good Repair (SGR)

The SGR program is a transit capital program funded from the new SB 1 Transportation Improvement Fee on vehicle registration. For fiscal year (FY) 2017-18, the SGR formula program is estimated to provide \$105 million statewide.

On January 31, 2018, OCTA submitted a request for its share of funding, \$5.67 million, for the purchase of ten zero-emission hydrogen fuel cell buses and heating-ventilation unit replacements. These projects were approved by Caltrans, and OCTA expects to start receiving funds in May 2018. This is a formula program, so OCTA expects to receive its full share of funding.

Other Non-Capital SB 1 Competitive Programs

Caltrans Transportation Planning Grants provide funding for transportation planning studies with consideration of sustainability, preservation, mobility, safety, innovation, economy, health, and equality.

OCTA submitted three projects for \$1.279 million for the FY 2018-19 call. Recommendations for the FY 2018-19 call will be announced in May 2018. The FY 2019-20 call is expected to be released in August 2018. Applications for the FY 2019-20 call are due October 19, 2018.





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Amendment to the Master Plan of Arterial Highways

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendations

- A. Approve an amendment to the Master Plan of Arterial Highways for the following:
 - Reclassify Esperanza Road, between Imperial Highway and the Fairmont Boulevard Connector, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
 - Reclassify Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
 - Reclassify Los Patrones Parkway, between Chiquita Canyon Road to Cow Camp Road, from a primary (four-lane, divided) to secondary (four-lane, undivided) arterial; and
 - Add Los Patrones Parkway, south of Oso Parkway to Chiquita Canyon Road, as a secondary (four-lane, undivided) arterial.

The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the County of Orange and City of Yorba Linda have amended their respective general plans and have complied with the requirements of the California Environmental Quality Act.



COMMITTEE TRANSMITTAL

Page Two

If the original 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 active Master Plan of Arterial Highways amendments.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to the Master Plan of Arterial Highways

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 the active Master Plan of Arterial Highways amendments is also provided.

Recommendations

- A. Approve an amendment to the Master Plan of Arterial Highways for the following:
 - Reclassify Esperanza Road, between Imperial Highway and the Fairmont Boulevard Connector, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
 - Reclassify Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
 - Reclassify Los Patrones Parkway, between Chiquita Canyon Road to Cow Camp Road, from a primary (four-lane, divided) to secondary (four-lane, undivided) arterial; and
 - Add Los Patrones Parkway, south of Oso Parkway to Chiquita Canyon Road, as a secondary (four-lane, undivided) arterial.

The proposed amendment will become final, contingent upon the Orange County Transportation Authority receiving documentation that the County of Orange and City of Yorba Linda have amended their respective general plans and have complied with the requirements of the California Environmental Quality Act.

If the original 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 active Master Plan of Arterial Highways amendments.

Background

Proposed amendments to the Master Plan of Arterial Highways (MPAH) are submitted to the Orange County Transportation Authority (OCTA) Board of Directors (Board) on a quarterly basis. Details on this proposed MPAH amendment request and a status update on active MPAH amendments are provided below.

Discussion

The County of Orange (County) has submitted letters requesting changes to the MPAH (Attachment A and Attachment B) for the following:

- Reclassify Esperanza Road, between Imperial Highway and the Fairmont Boulevard Connector, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
- Reclassify Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from a major (six-lane, divided) to a primary (four-lane, divided) arterial;
- Reclassify Los Patrones Parkway, between Chiquita Canyon Road to Cow Camp Road, from a primary (four-lane, divided) to secondary (four-lane, undivided) arterial; and
- Add Los Patrones Parkway, south of Oso Parkway to Chiquita Canyon Road, as a secondary (four-lane, undivided) arterial.

The requested amendment is illustrated in Attachment C.

Esperanza Road and Fairmont Boulevard Connector

Esperanza Road and the Fairmont Boulevard Connector are within the jurisdictions of the County and City of Yorba Linda (Yorba Linda). However, the County is serving as the lead agency on this MPAH amendment request. Yorba Linda has indicated their support for the County to serve as lead in the attached letter (Attachment D).

The proposed reclassifications would support the County's efforts to complete the Orange County Loop: 66 miles of regional connections for people to bike, walk, and connect to some of California's most scenic beaches and inland reaches. Approximately 75 percent is already in place, with nearly 46 miles of existing off-street trails along the San Gabriel River, Coyote Creek, Santa Ana River, and the Coastal/Beach Trail. This proposed MPAH amendment would allow the County to reconfigure Esperanza Road and the Fairmont Boulevard Connector to accommodate a protected bikeway within the existing right-of-way. This project would complete a gap connection between the El Cajon Trail and the Santa Ana River Trail.

Current and future (year 2040) traffic volumes along the proposed segments are estimated between 15,000 and 20,000 average daily traffic (ADT). These traffic volumes are within the acceptable level of service for primary (four-lane, divided) arterials, which is typically between 20,000 and 30,000 ADT. Also, with regard to adjacent facilities owned and operated by the City of Anaheim (Anaheim) and the California Department of Transportation (Caltrans), there are no anticipated impacts due to the relatively low traffic volumes. Both Anaheim and Caltrans have provided letters of support for the County's MPAH amendment request (Attachments E and F). As such, the proposed reclassifications are expected to be feasible from a technical and local support perspective.

Los Patrones Parkway

The proposed new roadway, Los Patrones Parkway, is located within Unincorporated Area of Orange County, with the northern terminus adjacent to the City of Rancho Santa Margarita and State Route 241. Los Patrones Parkway has been planned as a secondary arterial to support the Rancho Mission Viejo development. This arterial designation is consistent with various approved environmental documents and legal agreements held by the County.

The roadway is currently under construction and scheduled to open for public use by summer 2018. Los Patrones Parkway is expected to accommodate future volumes estimated to be approximately 30,000 ADT. Roadway design includes enhancements such as a minimum eight-foot median, limited access points, higher design speed, and enhanced intersection designs. These features allow for an operating capacity that is considerably higher than the typical 20,000 ADT for a conventional secondary arterial highway on the MPAH. As such, the proposed addition of Los Patrones Parkway is expected to be feasible.

California Environmental Quality Act

Amendments to the MPAH are not projects subject to the California Environmental Quality Act (CEQA) or, alternatively, are exempt from CEQA review. As such, if the Board approves the recommendations, OCTA will file a Notice of Exemption from CEQA in support of the proposed amendment to the MPAH.

Status Update

There are currently 33 active amendments proposed for the MPAH (Attachment G). Many of these amendment requests are awaiting local action to amend their respective general plans. Others are either under review, are in the cooperative study process, are pending resolution of issues with other agencies, or are awaiting refinement of development plans.

Summary

The County has requested an amendment to the MPAH. Based upon the information provided by the County, the requirements of the MPAH have been satisfied, and Board approval of staff's recommendations is requested. A summary of active MPAH amendments is also provided for the Board review.

Attachments

- A. P.M.P., Letter from Nardy Khan, P.E., Deputy Director. Works, Infrastructure Programs, OC Public to Joe Alcock, Section Manager, Corridor Studies and Long Range Planning, Orange County Transportation Authority, Dated February 27, 2018, Subject: MPAH Amendment Request for Esperanza Road and Fairmont **Boulevard Connector**
- B. Letter from Nardy Khan, P.E., P.M.P., Deputy Director, Infrastructure Programs, OC Public Works, to Carolyn Mamaradlo, Senior Transportation Analyst, Orange County Transportation Authority, Dated March 13, 2018, Subject: MPAH Amendment Request for Los Patrones Parkway
- C. County of Orange, MPAH Amendment Request
- D. Letter from Brad Fowler, Interim Director of Public Works/City Engineer, City of Yorba Linda, to Nardy Khan, P.E., P.M.P., Deputy Director, Infrastructure Programs, OC Public Works, Dated March 7, 2018, Subject: OC Public Works Led MPAH Amendment Request for Esperanza Road and Fairmont Boulevard
- E. Letter from Rudy Emami, P.E., Public Works Director, City of Anaheim, to Jamie N. Reyes, PE, OC Public Works, Dated March 1, 2018, Subject: Support for the Proposed Amendment to the Master Plan of Arterial Highways for Esperanza Road and Fairmont Connector and Consent to Orange County Public Works to Act as the Lead for the MPAH Amendment Effort
- F. Letter from Marlon Regisford, Branch Chief, Regional-IGR-Transit Planning, District 12, California Department of Transportation, to Ms. Jamie Reyes, Orange County Public Works, Dated February 28, 2018
- G. Status Report on Active Master Plan of Arterial Highways Amendments

Prepared by:

Carolyn Mamaradlo Senior Transportation Analyst (714) 560-5748 Kia Mortazavi Executive Director, Planning (714) 560-5741

Approved by:





February 27, 2018

Mr. Joe Alcock Section Manager, Corridor Studies and Long Range Planning Orange County Transportation Authority 550 S Main Street Orange, CA 92863-1584

Subject:

MPAH Amendment Request for Esperanza Road and Fairmont Boulevard

Connector

Dear Mr. Alcock,

OC Public Works (OCPW) is requesting formal initiation of a MPAH Amendment process that includes Esperanza Road and Fairmont Boulevard Connector located within Unincorporated County of Orange and the City of Yorba Linda.

OCPW proposes modifications to the MPAH of the following arterial facilities:

- Reclassification of Esperanza Road, between Imperial Highway and Fairmont Connector, from its current Major Arterial designation to a Primary Arterial; and
- Reclassification of Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard), from its current Major Arterial designation to a Primary Arterial.

The reclassification would occur to facilitate a County roadway project to reconfigure Esperanza Road and Fairmont Connector to add bicycle facilities. The Esperanza Road Bikeway Improvement Project is identified as Segment H in the Orange County Transportation Authority (OCTA) Bikeway Collaborative Plan.

The project goal is a continuous bikeway facility that will connect the El Cajon Trail to the Santa Ana River Trail. Furthermore, it will complete an additional segment of the 66 mile long Orange County (OC) Loop multi-use trail. It will be available and accessible to a wide range of users and improve bike safety by providing a bike lane as well as separated paved, off-road and on-road bikeways protected from vehicle traffic.

The requested MPAH change for Esperanza Road is primarily within Unincorporated Orange County, with the eastern portion within the City of Yorba Linda. The change for Fairmont Boulevard Connector is entirely within the City of Yorba Linda. Other stakeholders of the Project include the City of Anaheim, Caltrans, and OCTA.

Should you have any questions regarding this request, please contact Jamie Reyes at (714) 647-3903.

Sincerely,

Nardy Khan, P.E., P.M.P.

Deputy Director, Infrastructure Programs

OC Public Works

cc: Carolyn Mamaradlo, OCTA

Fiona Man, OC Public Works/Programming
Jamie Reyes, OC Public Works/Traffic & Design





March 13, 2018

Ms. Carolyn Mamaradlo Senior Transportation Analyst Orange County Transportation Authority 550 S Main Street Orange, CA 92863-1584

Subject:

MPAH Amendment Request for Los Patrones Parkway

Dear Ms. Mamaradlo,

OC Public Works (OCPW) is requesting formal initiation of a MPAH Amendment process that includes Los Patrones Parkway (LPP), also known as "F" Street, located primarily within Unincorporated Area of the County of Orange.

OCPW proposes the following modifications to the MPAH:

- Addition of Los Patrones Parkway south of Oso Parkway to Chiquita Canyon Road as a Secondary Arterial; and
- Reclassification of Los Patrones Parkway south of Chiquita Canyon Road to Cow Camp Road from its current Primary Arterial designation to a Secondary Arterial.

The requested MPAH changes are primarily within Unincorporated Area of Orange County, with the northern terminus of LPP adjacent to the City of Rancho Santa Margarita.

LPP was planned and designed as an enhanced capacity Secondary Arterial that can accommodate a higher than typical volume for a 4-lane highway. Some of these enhancements include minimum 8-foot wide median, limited access points, higher design speed, and enhanced intersection design for the signalized intersections at each end of the roadway. These features allow for an operating capacity that is considerably higher than the typical 20,000 ADT for a conventional Secondary Arterial Highway on the MPAH.

Using the Secondary Arterial designation for LPP recognizes the historical origins of the facility from the Ranch Plan EIR:

- Environmental Impact Report (EIR) 589 for The Ranch Plan, approved November 8, 2004 "F" Street was first addressed in EIR 589 and considered as an alternative to any delay of implementation or removal of the Foothill Transportation Corridor extension to the south. The "F" Street alternative was recognized in a resolution of the Board of Supervisors on November 8, 2004 as "a secondary arterial linking Cow Camp Road to the existing SR-241 at Oso Parkway if the Foothill Transportation Corridor is not extended".
- Amendment to the Master Plan of Arterial Highways, approved by OCTA September 27, 2010
 The amendment includes the addition of the Rancho Mission Viejo (RMV) development circulation plan to the MPAH. The amendment request was initiated by the County and proposed to add "F" Street as a secondary (4-lane, undivided) arterial from its east terminus at Cow Camp Road extending northwesterly to connect with the proposed SR-241. The label "F" Street, in this instance, was used for consistency with the nomenclature of the roadways within the (2010) Ranch Circulation Plan, and is inconsistent with the use of the label "F" Street in all other documents summarized herein.
- Los Patrones Project Report (PR) Traffic Study, dated February 2015

 The traffic study prepared for the PR assumes F Street as a modified Rural Secondary Highway that runs in the north-south direction between its two termination points at Oso Parkway and Cow Camp Road. The project roadway was assumed to have two 12-foot through lanes with 8-foot shoulders, varying median width, and a proposed design speed of 70 mph.

The traffic analysis showed opening day average daily traffic (ADT) volumes of 18,000 south of Oso Parkway and 9,000 north of CCR. The corresponding 2035 forecasted volumes are 39,000 and 24,000, respectively. The key elements of the capacity analysis in the PR traffic study were the signalized intersection at Oso Parkway and Cow Camp Road, and the interchange ramp connections to Chiquita Canyon Drive.

• "F" Street Addendum to FEIR 584 and 589, administratively approved March 4, 2015

The purpose of the addendum was to analyze the potential differences between the impacts evaluated in FEIR 584 (for the Southern Subregion Habitat Conservation Plan) and FEIR 589 and those that would be associated with the construction of "F" Street between Cow Camp Road and Oso Parkway. The proposed alignment was modified slightly from the alignment evaluated in EIR 584 and 589. The northerly half of the alignment was shifted to the west and horizontal and vertical curve radii were increased to accommodate higher design speed and provide fewer impacts to sensitive habitat. The Addendum describes that there are no significant impacts resulting from the modified alignment.

The requested designation of LPP as a Secondary Arterial Highway on the MPAH is consistent with its designed operational capacity and anticipated traffic volumes. The County will continue to monitor traffic volumes on LPP on a biennial frequency and will recommend adjustments to the MPAH if future demand exceeds its designed capacity.

Concurrently, OCPW is amending the County's General Plan to be consistent with this MPAH amendment request.

Should you have any questions regarding this request, please contact Jamie Reyes at (714) 647-3903.

Sincerely,

Nardy Khan, P.E., P.M.P.

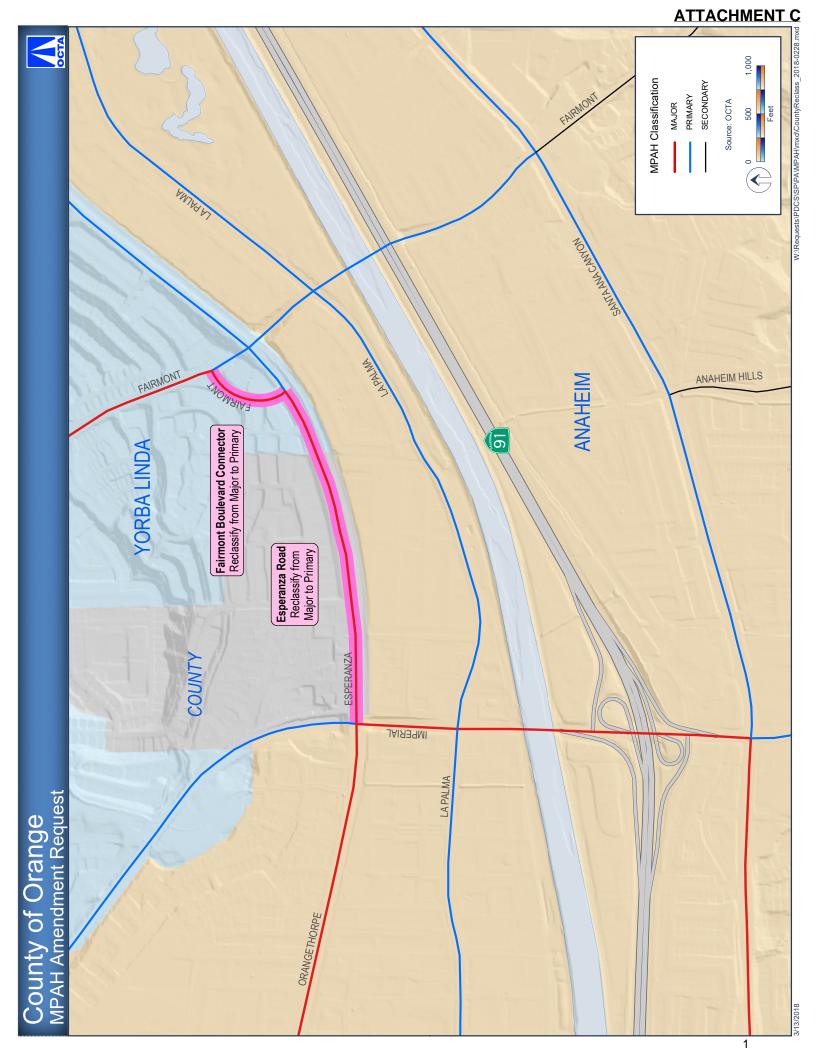
Deputy Director, Infrastructure Programs

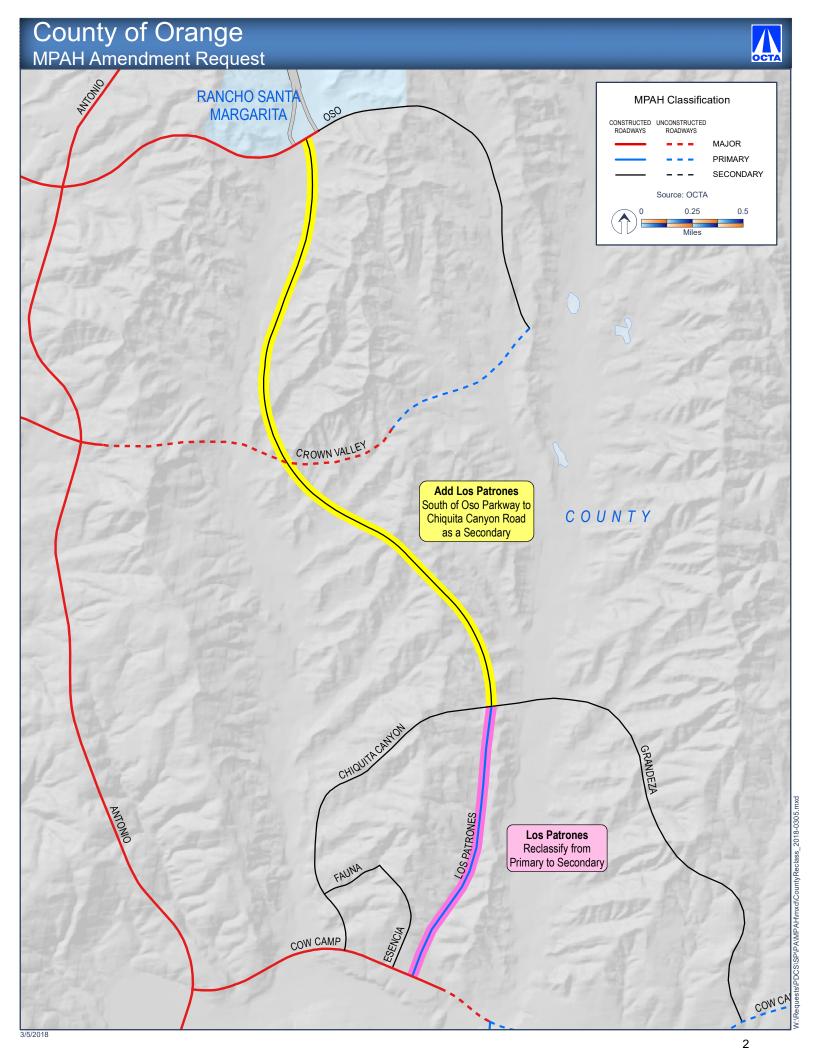
OC Public Works

cc: Kurt Brotcke, Director of Strategic Planning, OCTA

Edward Frondoso, County Traffic Engineer, OCPW

Jamie Reyes, Civil Engineer, OCPW







CITY OF YORBA LINDA

4845 CASA LOMA AVE CALIFORNIA 92885-8714

(714)961 -7170 FAX (714) 986-1010

ENGINEERING / PUBLIC WORKS

March 7, 2018

Nardy Khan, P.E., P.M.P Deputy Director, Infrastructure programs OC Public Works 300 N. Flower Street Santa Ana, CA 92705

Subject:

OC Public Works Led MPAH Amendment Request for Esperanza Road and

Fairmont Boulevard

Dear Mr. Khan,

This letter responds to your correspondence dated February 27, 2018 regarding OC Public Works (OCPW) proposal to reclassify the following arterials:

- Esperanza Road, between Imperial Highway and Fairmont Connector, from its current Major Arterial designation to a Primary Arterial: and
- Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from its current Major Arterial designation to a Primary Arterial.

The City of Yorba Linda supports your request for OCPW to take the lead in this MPAH Amendment for Orange County Transportation Authority (OCTA) Board approval. We understand that this reclassification would occur in conjunction with a proposed roadway project to reconfigure Esperanza Road and Fairmont Connector to add bicycle facilities. The Esperanza Road Bikeway Improvement Project is identified as Segment H in the OCTA Bikeway Collaborative Plan. Furthermore, it will complete an additional segment of the 66-mile long Orange County (OC) Loop multi-use trail.

Please feel free to contact me at 714-961-7170 should you have any questions.

Sincerely,

CITY OF YORBA LINDA

Brad Fowler,

Interim Director of Public Works/City Engineer

AWLER

City of Anaheim

DEPARTMENT OF PUBLIC WORKS

March 1, 2018

Jamie N. Reyes, PE OC Public Works 300 N. Flower St. Santa Ana, CA 92705

Subject: Support for the Proposed Amendment to Master Plan of Arterial

Highways for Esperanza Road and Fairmont Connector and Consent to Orange County Public Works to Act as the Lead for the MPAH

Amendment Effort

Dear Ms. Reyes:

The City of Anaheim is pleased to support the Orange County Public Works (OCPW) request to the Orange County Transportation Authority (OCTA) for approval of an amendment to the Master Plan of Arterial Highways. We also agree and support OCPW acting as the lead for this MPAH Amendment effort. This amendment would reclassify Esperanza Road between Imperial Highway and Fairmont Connector, from its current Major Arterial designation to a Primary Arterial. The amendment would also reclassify the Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from its current Major Arterial designation to a Primary Arterial. We appreciate this opportunity to comment, as this roadway segment is adjacent to the City of Anaheim.

As indicated in the attached letter from OCPW dated February 27, 2018, the proposed MPAH amendment is requested in conjunction with a proposed roadway project to reconfigure Esperanza Road and Fairmont Connector to add bicycle facilities. The Esperanza Road Bikeway Improvement Project is identified as Segment H in the OCTA Bikeway Collaborative Plan. As indicated in the attached letter, the project goal is a continuous bikeway facility that will connect the El Cajon Trail to the Santa Ana River Trail. This project will complete an additional segment of the 66-mile long Orange County (OC) Loop multi-use trail. It will also be available and comfortable to a wide range of users and improve bike safety by providing a bike lane as well as a separated paved, off-road and on-road bikeway protected from vehicle traffic.

Our staff has reviewed the proposed amendment and supports the change as it is consistent with the vision for the area to complete the OC Loop, which will help provide additional bicycling opportunities and help decrease auto travel.

200 S. Anaheim Blvd., Suite 276 Anaheim, California 92805

TEL (714) 765-5176 FAX (714) 765-5225 Amendment to Master Plan of Arterial Highways (Esperanza Road and Fairmont Connector) and Consent to Orange County Public Works to Act as the Lead for the MPAH Amendment March 1, 2018

Page 2 of 2

Please feel free to contact me at (714) 765-5065 or <u>REmami@anaheim.net</u> with any questions you may have.

Sincerely,

Rudy Emami, P.E.

Public Works Director

Attachments

C: Linda Andal, Interim City Manager Carlos Castellanos, City Engineer

Project File





February 27, 2018

Mr. David K. Mori, Esq. Engineering Manager City of Anaheim 200 S Anaheim Blvd. Anaheim, CA 92805

Subject:

Consent to OC Public Works Led MPAH Amendment Request for Esperanza Road

and Fairmont Connector

OC Public Works (OCPW) proposes modifications to the County of Orange Master Plan of Arterial Highways (MPAH) of the following arterial facilities:

- Reclassification of Esperanza Road, between Imperial Highway and Fairmont Connector, from its current Major Arterial designation to a Primary Arterial; and
- Reclassification of Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from its current Major Arterial designation to a Primary Arterial.

The reclassification would occur in conjunction with a proposed roadway project to reconfigure Esperanza Road and Fairmont Connector to add bicycle facilities. The Esperanza Road Bikeway Improvement Project is identified as Segment H in the Orange County Transportation Authority (OCTA) Bikeway Collaborative Plan. The project goal is a continuous bikeway facility that will connect the El Cajon Trail to the Santa Ana River Trail. Furthermore, it will complete an additional segment of the 66-mile long Orange County (OC) Loop multi-use trail. It will be available and comfortable to a wide range of users and improve bike safety by providing a bike lane as well as separated paved, off-road and on-road bikeway protected from vehicle traffic.

The County respectfully requests your support in this amendment with OCPW being the lead agency for this effort. Please provide your signed consent letter and return via mail or email no later than Monday, March 5, 2018 to:

Address: Jamie Reyes

OC Public Works 300 N. Flower Street Santa Ana, CA 92705

Email: Jamie.Reyes@ocpw.ocgov.com





OCPW will be taking the subject MPAH Amendment Request for OCTA Board approval in April 2018. Your consent, if granted, will be used as support documentation to OCPW's MPAH Amendment Request Letter to OCTA.

Should you have any questions or if your response will be late for any reason, please contact Jamie Reyes at (714) 647-3903.

Sincerely,

Nardy Khan, P.E., P.M.P.

Deputy Director, Infrastructure Programs

OC Public Works

cc: Edward Frondoso, OC Public Works/OC Infrastructure Programs/Traffic & Design Jamie Reyes, OC Public Works/OC Infrastructure Programs/Traffic & Design

DEPARTMENT OF TRANSPORTATION

DISTRICT 12 1750 EAST FOURTH STREET, SUITE 100 SANTA ANA, CA 92705 PHONE (657) 328-6267 FAX (657) 328-6510 TTY 711 www.dot.ca.gov



February 28, 2018

Ms. Jamie Reyes Orange County Public Works 300 N. Flower Street Santa Ana, CA 92702 File: IGR/CEQA SR-1, PM 30.98

Dear Ms. Reyes,

Thank you for including the California Department of Transportation (Caltrans) in the review of the proposed Esperanza Road and Fairmont Connector for the Master Plan of Arterial Highways (MPAH). The mission of Caltrans is to provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability.

The proposed project is located in proximity to State Route 91 and includes the following modifications:

- Reclassification of Esperanza Road, between Imperial Highway and Fairmont Boulevard Connector, from its current Major Arterial designation to a Primary Arterial; and
- Reclassification of Fairmont Boulevard Connector, between Esperanza Road and Fairmont Boulevard, from its current Major Arterial designation to a Primary Arterial.

Upon our review, we are satisfied with the bicycle and pedestrian facilities proposed for the project. Therefore, Caltrans has no further comments on the amendment request.

Please continue to keep us informed of this project and any future developments which could potentially impact the State Highway System. If you have any questions, please do not hesitate to contact Joseph Jamoralin at (657) 328-6276 or Joseph.Jamoralin@dot.ca.gov.

Sincerely,

MARLON REGISFORD

Marlo Rogy

Branch Chief, Regional-IGR-Transit Planning

District 12

Status Report on Active Master Plan of Arterial Highways Amendments

_	Citv	Street	From	To	Type of Amendment	Status
_	Costa Mesa	Bluff Road	19th Street	Victoria Street	Delete.	On hold pending final consensus on Banning Ranch Circulation Plan.
7	County of Orange	Santiago Canyon Road	SR-241 NB ramp	Live Oak Canyon	Reclassify from primary to collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
က	County of Orange	Jeffrey Road	SR-241	Santiago Canyon Road	Delete.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
4	County of Orange	Black Star Canyon	Silverado Canyon Orange/Riverside Road County line	Orange/Riverside County line	Delete	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
2	County of Orange	Esperanza Road	Imperial Highway (SR-90)	Fairmont Boulevard Connector	Reclassify from major to primary.	This amendment is being presented for Board consideration.
9	County of Orange	Fairmont Boulevard Connector	Esperanza Road	Fairmont Boulevard	Reclassify from major to primary.	This amendment is being presented for Board consideration.
	County of Orange	Los Patrones	SR-241	Chiquita Canyon Road	Add.	This amendment is being presented for Board consideration.
	County of Orange	Los Patrones	South of Chiquita Canyon Road	Cow Camp Road	Reclassify from primary to secondary.	This amendment is being presented for Board consideration.
	Garden Grove	West Street	Garden Grove Boulevard	Orangewood Avenue	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
10	Garden Grove	Gilbert Street	Chapman Avenue	Katella Avenue	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
	Huntington Beach	Delaware Street	Atlanta Avenue	Pacific View Avenue	Delete as a secondary.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.

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12	Huntington Beach/ County of Orange	6th Street	Main Street	Lake Street	Reclassify from Secondary to collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
5	Huntington Beach/ County of Orange	Graham Street	South of Slater Avenue	Current Terminus	Delete.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
4	Huntington Beach/ County of Orange	Talbert Street	West of Springdale Street	Current Terminus	Delete.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
15	Newport Beach	Bluff Road	17th Street	19th Street	Reclassify from major to primary.	On hold pending final consensus on Banning Ranch Circulation Plan.
16	Newport Beach	17th Street	West of Bluff Road	State Route 1	Delete.	On hold pending final consensus on Banning Ranch Circulation Plan.
17	Newport Beach	15th Street	Placentia Avenue	Bluff Road	Reclassify from a secondary to a primary.	On hold pending final consensus on Banning Ranch Circulation Plan.
18	Newport Beach	15th Street	Bluff Road	17th Street	Delete.	On hold pending final consensus on Banning Ranch Circulation Plan.
19	Placentia	Crowther Avenue	Placentia Avenue	Kraemer Boulevard	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
20	Placentia	Golden Avenue	Kraemer Boulevard	Eastern City limits	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
21	San Clemente	N. El Camino Real	Avenida Pico	Camino Capistrano	Reclassify from secondary to collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
22	San Clemente	Camino Del Rio	Camino De Los Mares	Avenida La Pata	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.

23	San Clemente	Camino De Los Mares	Camino Vera Cruz	Camino Del Rio	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
24	San Juan Capistrano	Ortega Highway	Del Obispo Street	Camino Capistrano	Delete.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
25	Santa Ana	Fourth Street	French Street	Grand Avenue	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
26	Santa Ana	Santa Ana Boulevard	Raitt Street	Bristol Street	Reclassify from major to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
27	Santa Ana	Santa Ana Boulevard	Bristol Street	Ross Street	Reclassify from major to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
28	Santa Ana	Santa Ana Boulevard	French Street	Santiago Street	Reclassify from primary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
29	Santa Ana	Citywide	N/A	N/A	N/A	Coordinating with City of Santa Ana staff on potential changes.
30	Tustin	Main Street	Western limits	Newport Avenue	Reclassify from primary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
31	Tustin	First Street	Western limits	Newport Avenue	Reclassify from primary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.
32	Westiminster	Garden Grove Boulevard	I-405/SR-22 westerly ramps	Edwards Street	Reclassify from secondary to divided collector.	The amendment was conditionally approved by the Board. Waiting for documentation confirming completion of CEQA and general plan change.

	1	1	
Reclassify from secondary by the Board. Waiting for documentation to divided collector.	Reclassify from secondary by the Board. Waiting for documentation to divided collector. confirming completion of CEQA and general plan change.	Reclassify from secondary by the Board. Waiting for documentation to divided collector. confirming completion of CEQA and general plan change.	The cities of Costa Mesa, Fountain Valley, Huntington Beach, and OCTA entered a Memorandum of Understanding (C-6-0834). Reclassify from secondary implementation of 19 of the 25 mitigation measures that were specified. All improvements are required to be completed by 2020, at which time OCTA will revisit the designation of the Garfield Avenue/ Gisler Avenue Bridge.
Reclassify from secondary to divided collector.	Reclassify from secondary to divided collector.	Reclassify from secondary to divided collector.	Reclassify from secondary to right-of-way reserve status.
Trask Avenue	Hoover Street	Bolsa Avenue	Santa Ana River Eastbank
Garden Grove Boulevard	Edwards Street	Trask Avenue	Santa Ana River Westbank
Edwards Street	Trask Avenue	Hoover Street	Garfield Avenue/ Gisler Avenue Crossing over the Santa Ana River
Westiminster	Westiminster	Westiminster	Costa Mesa/ Fountain Valley/ Huntington Beach
33	34	35	Memorandum of Understanding

Acronyms SR-241 - State Route 241 NB - Northbound

Board - Board of Directors

CEQA - California Environmental Quality Act

SR-90 - State Route 90

N/A - Not Applicable I-405 - Interstate 405 SR-22 - State Route 22

OCTA - Orange County Transportation Authority





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Interstate 5 (Avenida Pico to San Diego County Line) Project Status

Update

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file as an information item.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Interstate 5 (Avenida Pico to San Diego County Line) Project

Status Update

Overview

The Orange County Transportation Authority is developing a project study report/project development support document for potential improvements to Interstate 5, in San Clemente, from Avenida Pico to the San Diego County line. An initial project status update was provided in September 2017. At that meeting, the Board of Directors requested that staff return in early 2018 to provide an update, which is provided in this report.

Recommendation

Receive and file as information item.

Background

In 2014, the Orange County Transportation Authority's (OCTA) Board of Directors (Board) advanced OCTA's Long-Range Transportation Plan to the Southern California Association of Governments for inclusion in the 2016 Regional Transportation Plan (RTP). OCTA's submittal included a project to extend high-occupancy vehicle (HOV) lanes on Interstate 5 (I-5) in the City of San Clemente (City), from Avenida Pico to the San Diego County line (Project). The Project complements the Measure M2 Freeway Program and completes Orange County's HOV system. The Project could also potentially tie into future improvements (immediately south of the study area) that are planned in the San Diego Association of Governments' (SANDAG) RTP (Attachment A).

In 2016, OCTA initiated development of a project study report/project development support (PSR/PDS) document (Study) for this Project. PSR/PDS documents are planning studies that are required to be approved by the California Department of Transportation (Caltrans) before a project can be considered eligible for state and federal funding. PSR/PDS typically analyze the

engineering feasibility of a range of alternatives, provide cost estimates, and specify a project's purpose and need. However, a preferred alternative is not selected at this stage of the project development process.

Discussion

In September 2017, staff provided the Board a status update on this PSR/PDS. The Board directed staff to return in early 2018 with a status update on project-related activities. Since September 2017, project development team (PDT) and other meetings have been convened, and specific issues emerging from these meetings are discussed below.

In October 2017, an update was provided to the San Clemente City Council (Council). There was general support for the Study, particularly for the HOV lane extension alternative. Concerns were expressed over potential right-of-way (ROW) impacts, especially with alternatives that propose two lanes in each direction. The Council also requested that Study alternatives focus on typical (i.e., weekday AM/PM peak hour) traffic analysis metrics, given the need to maintain consistency of analysis techniques on a county-wide basis.

In November 2017, the Study's seventh PDT meeting was convened. The objective was to finalize traffic forecasts and project alternatives. Key issues discussed at that meeting included the following:

- 1. Caltrans noted that OCTA's traffic forecasts are substantially lower than previous planning forecasts.
- 2. Caltrans and the Transportation Corridor Agencies also requested that weekend congestion be factored into the traffic analyses and considered as a major factor in developing project alternatives.

In response to these two issues, staff has provided the following considerations:

 Traffic forecasts change over time as economic trends and the state of the practice evolves. Previous traffic forecasts included socio-economic data that was substantially higher than what is currently observed and forecasted today. For instance, population and employment projections in the South County area have been reduced by California State University, Fullerton's Center for Demographic Research, by approximately four percent and 11 percent respectively, since 2000. PSR/PDS documents completed to date by OCTA have utilized state-of-practice AM and PM weekday peak period traffic analyses. While OCTA agrees that a weekend congestion issue exists, utilizing non-traditional analyses is not recommended to develop project alternatives because a validated weekend travel demand model for Orange County does not exist. Further, such a model is not likely to establish a need for project alternatives that are substantially different from what OCTA is currently proposing, especially since the Study's proposed managed lane extension options will likely address both traditional peak period and weekend congestion.

To follow-up on the traffic issues, Caltrans conducted a workshop with the PDT on December 15, 2017 to present a preliminary review of weekend traffic conditions. At that meeting, OCTA agreed to include a qualitative discussion of weekend conditions in the PSR/PDS, and acknowledge that weekend congestion remains an issue of concern that should be addressed in the future project development process. Staff subsequently submitted a discussion memo to the PDT (Attachment B) in February 2018 to reflect OCTA's position. These and other issues were discussed at a subsequent PDT held on February 21, 2018.

The final draft PSR/PDS is scheduled to be submitted to Caltrans in late spring/early summer. Should Caltrans opt to not sign the PSR/PDS due to the above issues, OCTA, at a minimum, would finalize the substantial technical and feasibility work on the Project, which could be incorporated into future project development efforts.

Summary

A status update on the I-5 (Avenida Pico to San Diego County line) PSR/PDS document is provided for information purposes. The document is scheduled to be submitted to Caltrans by early summer 2018.

Attachments

- I-5 Pico to San Diego County Line A.
- Memorandum from Neelam Dorman and Tim Erney, Kittelson & B. Associates, Inc., to Carolyn Mamaradlo, OCTA, I-5 Avenida Pico to PSR/PDS, Weekend Data Review, SD County Line February 21, 2018

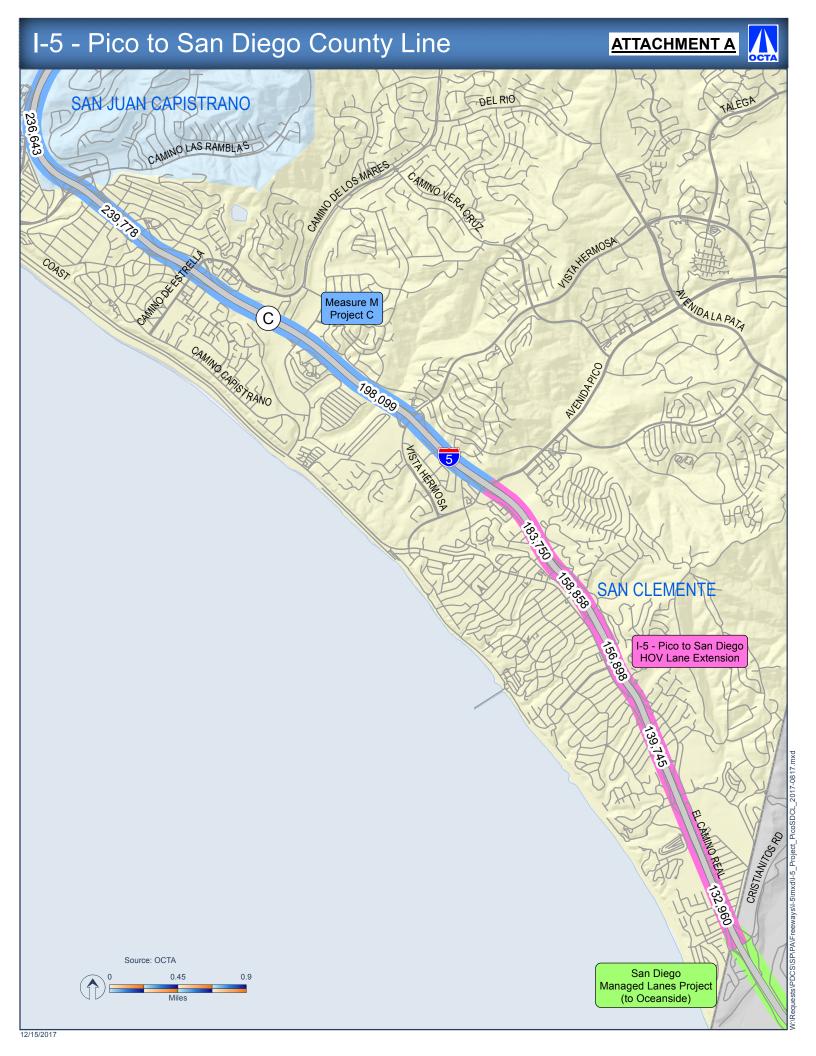
Prepared by:

Carolyn Mamaradlo Senior Transportation Analyst (714) 560-5748

Caroly Mamaradlo

Approved by:

Kia Mortazavi **Executive Director, Planning** (714) 560-5741





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TECHNICAL MEMORANDUM I-5 Avenida Pico to SD County Line PSR/PDS

Weekend Data Review

Date: February 21, 2018 Project #:19385

To: Carolyn Mamaradlo, OCTA

From: Neelam Dorman & Tim Erney, Kittelson & Associates, Inc.

cc: Karen Chapman, TYLin International

This memorandum documents initial results of the weekend data collection and analysis prepared by Kittelson & Associates, Inc. (KAI), with input from the Orange County Transportation Authority (OCTA), for existing mainline for the Project Study Report/Project Development Support (PSR/PDS) for improvements to Interstate 5 (I-5) between Avenida Pico and Cristianitos Road/San Diego County Line.

Existing Weekday Conditions Freeway Mainline Data and V/C Analysis

Since the study area experiences high demand during recreational travel outside of standard weekday morning and evening commute week hours, a supplemental weekend conditions analysis was conducted for the project.

Additional freeway mainline data was collected through PeMS for I-5 (between Avenida Calafia and Cristianitos Road). Data was collected per the following methodology to determine weekend condition

trends:

- Collect PeMS freeway mainline data for all weekdays in March, one month to represent summer conditions (July), and one month to represent fall conditions (October)
- Collect data for Fridays, Saturdays, Sundays, and Mondays for non-holiday weekends
- Determine peak hour volumes per direction for each day (Friday Monday) and average to develop the overall weekend peak hour volume

Given that recreational weekend traffic could carry over to Fridays and Mondays (e.g. weeks with Friday or Monday holidays), initial data collection was conducted for the full Friday to Monday period. A review of the data collected for the AM and PM peak hours on Fridays and Mondays generally showed a higher demand for Monday volumes during the AM peak hour as compared to the typical weekday AM peak hour, and higher demand for the PM peak hour for Friday as compared to the typical weekday PM peak hour. Overall, the peak hour demand for Saturdays and Sundays were higher than

Kittelson & Associates, Inc. Orange, California

those for Fridays and Mondays; therefore, the analysis was focused on the Saturday and Sunday data set.

A volume-to-capacity (V/C) analysis was conducted to gauge the performance for the study mainline segments for weekend conditions. A lane capacity of 1,950 passenger cars per hour per lane was applied for general purpose (mixed-flow) lanes and HOV lanes as defined by OCTA. A V/C ratio is a comparison of an amount of traffic on a road with the capacity of that road. A V/C ratio is expressed as a decimal, with values less than 1.00 indicating that volume is less than capacity and values more than 1.00 indicating that volume approach 1.00, congestion becomes more severe, with values more than 1.00 indicating severe congestion.

Table 1 and Table 2 present the results of the V/C analysis for the study segment. As shown, the weekend peak hour volumes (on average) are between 20% and 34% higher than weekday peak hour volumes. The volumes for both northbound and southbound are also similar between the three seasons with March having the highest northbound volume and July the highest southbound volume. The V/C analysis results are approximately 0.16 and 0.17 higher for weekend conditions as compared to weekday conditions; however, the study segment is operating under capacity (i.e., V/C ratio of less than 1.0) for all three seasons.

Table 1: Existing Freeway Weekend Peak Hour V/C Analysis - Northbound

	NB-11: Betv	ween Cristianitos	Road On-Ramp ar	nd Avenida Men	dicino Off-Ramլ	
Month ¹	Weekend Peak Hour ²	Weekend Peak Hour Volume	Weekday Peak Hour Volume ³	% Difference Weekend vs Weekday	Weekend Peak Hour V/C ⁴	Weekday Peak Hour V/C⁴
March	11 AM	5,396		34%	0.69	
July	10 AM	5,275	4,023	31%	0.68	0.52
October	10 AM	5,308		32%	0.68	

Notes:

- 1: Data collected for non-holiday Saturday and Sunday for each representative season
- 2: Weekend peak hour (Saturday and Sunday average)
- 3: Weekday AM Peak Hour has the highest volume between AM/PM peak hours. Data only available for March weekday conditions.
- 4: Capacity of 1,950 vehicles per hour per lane

Table 2: Existing Freeway Weekend Peak Hour V/C Analysis - Southbound

	SB-10: Be	etween Cristianito	s Road On-Ramp	and Avenida Ca	lifia Off-Ramp	
Month ¹	Weekend Peak Hour ²	Weekend Peak Hour Volume	Weekday Peak Hour Volume ³	% Difference Weekend vs Weekday	Weekend Peak Hour V/C ⁴	Weekday Peak Hour V/C⁴
March	11 AM	5,576		25%	0.71	
July	10 AM	5,696	4,463	28%	0.73	0.57
October	11 AM	5,372		20%	0.69	

Notes:

- 1: Data collected for non-holiday Saturday and Sunday for each representative season
- 2: Weekend peak hour (Saturday and Sunday average)
- 3: Weekday PM Peak Hour has the highest volume between AM/PM peak hours. Data only available for March Weekday conditions.

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4: Capacity of 1,950 vehicles per hour per lane

A supplemental analysis was also conducted to determine the frequency of congestion on I-5 (i.e. speeds less than 35 miles per hour¹) during Weekend Conditions. Hourly speeds were sourced from PeMS, between Avenida Calafia and Cristianitos Road, for non-holidays Fridays, Saturdays, Sundays, and Mondays for July 2016, March 2017, and October 2017. Speeds below 35 miles per hour (MPH) were identified and compared to the total number of weekend hours. Initial analysis shows that speeds are below 35 MPH approximately 6% of weekend hours, predominantly in the northbound direction.

Supporting Studies

Delays in the Project study area along I-5 occur on peak traffic weekends are caused by chokepoints located primarily outside of the study area. This issue was quantified by OCTA in the 2007/08 I-5 Weekend Highway Capacity Study (Weekend Study) using FreQ², a traffic simulation modeling software tool. The analysis evaluated weekend traffic conditions and queuing along the I-5 and identified hotspots and chokepoints contributing to traffic congestion. The analysis included data collection efforts for travel times and volumes along I-5 from SR-55 to the San Diego County Line. FreQ models were developed and calibrated for Saturday southbound and Sunday northbound time periods and directions.

The study confirmed peak travel (summer event) weekend delays in South Orange County along I-5 and identified the causes of those delays. For instance, heavy congestion was seen in the southbound direction between Junipero Serra Road and Camino De Estrella. The model showed that this congestion was likely caused by a chokepoint south of Camino De Estrella, near the termination of HOV lanes and where termination of the auxiliary lane from the Pacific Coast Highway interchange. In the northbound direction congestion was likely caused by operational issues at a chokepoint near Camino Capistrano where the northbound HOV lane begins and an auxiliary lane is dropped. This may result in queuing that extends as far back as Camp Pendleton.

Based on the Weekend Study, extension of the HOV to Avenida Pico was expected to relieve both the southbound and northbound peak travel weekend congestion between Avenida Pico and the San Diego County Line. Currently, OCTA is constructing the I-5 South County Improvements Project that will add this additional HOV lane between San Juan Creek Road to Avenida Pico. Based on the 2040 mainline segment analysis results provided in the I-5 HOV Lane Extension PA/ED Traffic Study (May 2010), operations improve north of the Project study area, with the additional HOV lane, at the northbound and southbound chokepoints identified above. These improvements are reported for weekday peak hour conditions; however, similar improvements in operations would also be expected for weekend conditions with the implementation of the I-5 HOV Lane Extension project.

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¹Congested speeds defined as below 35 MPH is consistent with what is calculated in OCTAM.

² FreQ is an HCM-based tool that permits efficient analysis of freeway corridors, including hotspots, chokepoints, and geometric features.

To check the validity of the findings from the Weekend Study to today, peak hour volumes on I-5 at the Cristianitos Road interchange from the I-5 Avenida Pico PSR were compared to the I-5 Weekend Highway Capacity Study.

Table 3: Existing Freeway Weekend Peak Hour V/C Analysis - Southbound

	July Peak Volumes at Cristianitos
2007 I-5 Weekend Highway Capacity Study	
Saturday Southbound	6,236
Sunday Northbound	5,612
2017 I-5 PSR	
Saturday Southbound	5,275
Sunday Northbound	5,696

Based on the comparisons, peak volumes at the Cristianitos Road interchange were higher for the Weekend Study in the southbound direction compared to the I-5 Avenida Pico PSR. For the northbound direction, the peak volumes are similar. Therefore, the 2007 Weekend Study findings would remain applicable today as the Project volumes are either higher or similar.

Future Weekend Conditions

Future conditions analysis for weekend conditions was not conducted as future weekend peak hour freeway, ramp and intersection data is not available. In particular, the OCTA travel demand model (OCTAM) does not currently project weekend conditions. In order to accurately determine projections for weekend volumes, OCTA would need to collect survey data to determine demand and create a new model to forecast future volumes. The travel functions for weekend conditions are different from weekday conditions, which are based on work commute, and would require significant effort to determine recreational travel patterns. In addition, the specific demand on managed lanes (for Alternative 3) would also differ from weekday conditions, which would require additional refinement and information gathering to correctly account for in the model. The effort to create a new OCTAM for weekend conditions is significant and beyond the scope of this project. Rough order-of-magnitude estimates for future weekend growth can be conducted; however, this would not be consistent with the level of detail provided for weekday conditions and would be difficult to defend. With the addition of a single lane in each direction, a minimum of 40% more traffic demand could be accommodated.

Kittelson & Associates, Inc. Orange, California





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Orange County Local Transportation Authority Measure M2

Agreed-Upon Procedures Reports, Year Ended June 30, 2017

Finance and Administration Committee Meeting of March 28, 2018

Present: Directors Hennessey, Jones, and R. Murphy Absent: Directors Do, Donchak, Spitzer, and Steel

Committee Vote

Due to lack of guorum, no action was taken on this item.

Staff Recommendations

- A. Direct staff to monitor implementation of recommendations by cities.
- B. Receive and file the Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2017, and the Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2017, as information items.



March 28, 2018

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director Internal Audit Department

Subject: Orange County Local Transportation Authority Measure M2

Agreed-Upon Procedures Reports, Year Ended June 30, 2017

Overview

Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to eight cities, and Senior Mobility Program funds provided to six cities, for the fiscal year ended June 30, 2017. Observations were made relating to the classification of Maintenance of Effort expenditures, indirect charges not properly supported, errors in reporting of amounts on required activity reports and annual expenditure reports, and service contractor procurement.

Recommendations

A. Direct staff to monitor implementation of recommendations by cities.

B. Receive and file the Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2017, and the Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2017, as information items.

Background

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayers Oversight Committee selects a sample of local jurisdictions receiving Measure M2 (M2) funding for review to determine the local jurisdictions' level of compliance with provisions of the M2 Ordinance. For the fiscal year (FY) ended June 30, 2017, the Subcommittee selected eight cities for review of Local Fair Share (LFS) program funding, and six cities for review of Senior Mobility Program (SMP)

funding. The agreed-upon procedures applied for these reviews were approved by the Subcommittee.

The LFS program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS program is intended to augment, not replace, existing transportation expenditures, each jurisdiction is required to maintain a minimum level of local street and roads expenditures to conform to a defined maintenance of effort (MOE) requirement.

The SMP funds local community transportation services for seniors. This program provides 80 percent of the funding allocation, and participating local jurisdictions provide a 20 percent match. A cooperative agreement is executed between the local jurisdiction and the Orange County Local Transportation Authority (OCLTA) to outline requirements of the program and required matching funds. Cities are required to submit monthly SMP activity reports within 30 days of month end.

All M2 revenues, interest earned on net revenues, expenditures, and expenditures of earned interest are required to be reflected, along with a certification by the finance director, on an annual M2 Expenditure Report that must be adopted and filed with OCLTA within six months of fiscal year end.

Discussion

Vavrinek, Trine, Day & Company, LLP, (auditors) conducted the agreed-upon procedures, including site visits to each of the selected cities, and conducted interviews of city finance and program-related staff. Procedures included sample testing of expenditures for compliance with related program requirements, review of indirect costs for adequate support and reasonableness, testing to ensure allocation of interest, and testing of activity reports and annual expenditure reports for accuracy.

Agreed-Upon Procedures: LFS Program Funds

The auditors examined the cities of Cypress, Irvine, Laguna Beach, Los Alamitos, Rancho Santa Margarita, San Clemente, San Juan Capistrano, and Villa Park. At five cities, the auditors identified expenditures not properly classified as MOE expenditures; however, after removing the amounts from MOE, the cities still met their respective MOE requirements. The cities responded that steps would be taken to ensure proper classification of costs going forward. The auditors also identified \$5,886 in indirect costs charged to the LFS fund by the City of San Clemente (San Clemente). The indirect charges were based on an overhead analysis performed in 2008. San Clemente indicated that an updated

allocation recovery percentage will be developed. Finally, the auditors identified various errors in amounts reported on annual expenditure reports by four cities. The cities responded with actions to be taken to address these issues going forward.

A summary of all findings, by city, can be found at Attachment A, and the detailed reports can be found at Attachment B.

Agreed-Upon Procedures: SMP Funds

The auditors examined the cities of Buena Park, Costa Mesa, Laguna Niguel, Laguna Woods, San Clemente, and San Juan Capistrano. Reporting errors in monthly activity reports were identified at five cities, and two of the cities had not submitted reports within 30 days as required. The cities responded that amounts will be properly reported and submitted timely going forward. The City of Costa Mesa (Costa Mesa) did not have documentation to evidence that their transportation service provider had been competitively procured, as required. Also, auditors found that the service provider charged nine service hours per day, regardless of actual vehicle service hours. Costa Mesa responded that a competitive procurement has since been conducted and a new contract, that defines service hours and billing, is in place. At San Clemente, auditors found that the contract with the transportation service provider had been renewed for five years beyond what the original contract allowed. San Clemente responded that a new procurement would be conducted. The auditors also found that the service provider did not verify participant ages to ensure eligibility. San Clemente responded that there had been staff turnover and a new individual will be trained to oversee this program.

A summary of all findings, by city, can be found at Attachment C, and the detailed reports can be found at Attachment D.

Summary

The auditors have completed agreed-upon procedures related to M2 LFS and SMP funds provided to fourteen cities for the FY ended June 30, 2017.

Attachments

- A. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2017
- B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2017
- C. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2017
- D. Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2017

Prepared by:

anet Sutter

Executive Director, Internal Audit

714-560-5591

ATTACHMENT A

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2017

City	Result	City Management Response
Cypress	The City of Cypress (Cypress) reported \$1,010,550 in indirect costs; however, an additional \$167,320 in indirect costs were identified in the general ledger.	These costs are attributable to Cypress' street maintenance programs, such as allocations of office operating costs, information technology services, and equipment costs. In the future, these maintenance costs will be properly reported.
Irvine	Testing of Maintenance of Effort (MOE) expenditures identified three expenditures totaling \$112,469 that were not properly classified as local street and road expenditures. However, after removing the amount from total MOE expenditures, the City of Irvine (Irvine) continued to meet the minimum MOE requirement.	Irvine will update its accounting structure to provide staff a more accurate method to record vendor invoices that comingle non-street related expenditures with street expenditures associated with the MOE calculation. Staff members will be trained on the new structure.
	Irvine reported \$101,731 in indirect costs; however, an additional \$19,528 in indirect costs were identified in the general ledger.	A twenty percent overhead for constructions projects is recorded with direct salaries and benefits due to system limitations. Irvine staff will review the system to determine whether it can be modified to separate the twenty percent overhead from salaries and benefits.
Laguna Beach	Total MOE expenditures per the general ledger were \$5,616,628; however, were reported on the Expenditure Report as \$5,594,801. The difference related to accruals posted after the Expenditure Report was completed.	The City of Laguna Beach (Laguna Beach) finance staff has implemented additional procedures and will continue to work with departments to submit invoices within the 90-day period of fiscal year end.
	Laguna Beach recorded \$5,113 of interest to the Local Fair Share fund for the year however, Laguna Beach's Expenditure Report reflected a total of \$5,074.	Laguna Beach finance staff has implemented additional procedures, including having a finance employee outside of the reporting process review the entry.
Los Alamitos	Testing of MOE expenditures identified one for \$2,449 that was not properly classified as a street and road expenditures. However, after removing the amount from total MOE expenditures, the City of Los Alamitos continued to meet the minimum MOE requirement.	The expense was coded to MOE expenditures in error. This clerical error was an isolated error and staff confirms that all other MOE charges are valid and properly classified.
Rancho Santa Margarita	None.	
San Clemente	Testing of MOE expenditures identified one for \$397,250 that was not properly classified as a street and road expenditures. However, after removing the amount from total MOE expenditures, the City of San Clemente (San Clemente) continued to meet the minimum MOE requirement.	The project to which this expenditure related has now been moved to the appropriate program, so that these costs will be appropriately classified.
	Testing Local Fair Share expenditures identified two expenditures, totaling \$3,878, related to payroll overhead costs. San Clemente allocates 90 percent of direct payroll as overhead to account for administrative costs. The 90 percent rate was determined as part of an analysis conducted in 2008 and has not been recently updated. Total overhead for the year was \$5,886.	San Clemente will provide a detailed methodology and will update its cost allocation recovery percentages accordingly.
	San Clemente reported \$0 in indirect costs; however, auditors identified \$5,886 in indirect charges for the year.	San Clemente will implement procedures to ensure these costs are appropriately reported on the Expenditure Report.
	San Clemente reported \$0 in interest for the year; however, San Clemente recorded \$10,697 in interest per the general ledger.	San Clemente will implement procedures to ensure interest earned is appropriately reported on the Expenditure Report.

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority

Measure M2 Local Fair Share for the Year Ended June 30, 2017

City	Result	City Management Response
San Juan Capistrano	Testing of MOE expenditures identified three for \$3,990 that were not properly classified as street and road expenditures. In addition, \$102,447 in indirect charges were identified. The City of San Juan Capistrano (SJC) allocated sixty percent of general ledger expenditures for administration costs; however, SJC could not substantiate this allocation rate. After removing these amount from total MOE expenditures, SJC continued to meet the minimum MOE requirement.	The expenditures identified will be reclassified and, on a go forward basis, these costs and any other costs that are not street-related will be coded to divisions not involved in the MOE calculation. SJC will also remove overhead costs noted.
Villa Park	Testing of MOE expenditures identified one for \$1,350 that was not properly classified as a street and road expenditure. In addition, \$6,935 in charges were not supported. After removing \$8,285 from total MOE expenditures, the City of Villa Park (Villa Park) no longer met the minimum MOE requirement; however, Villa Park staff identified an additional \$7,000 in allowable costs that had not been claimed. After including these additional transactions, Villa Park met its MOE requirement.	Villa Park acknowledges that the \$1,350 expenditure was incorrectly classified. While the expenditures totaling \$6,935 relate to labor on an allowable street and road project, the hours were not detailed on timesheets, as they should be. Villa Park will work with staff to ensure work is identified and documented on timesheets.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2017

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2017

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2017. Please refer to the individual divider tab for our report on each Agency.

City of Cypress

City of Irvine

City of Laguna Beach

City of Los Alamitos

City of Rancho Santa Margarita

City of San Clemente

City of San Juan Capistrano

City of Villa Park



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF CYPRESS

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Cypress' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$2,767,411 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (001), Capital Project Fund (415) and the Lighting District Fund (251) under the Public Works Departments. No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$5,200,817 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$5,200,817 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$1,838,665, representing approximately 35% of total MOE expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,010,500 as indirect costs. However, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified additional indirect costs charged as MOE expenditures in Line 15 of the City's Expenditure Report totaling \$167,320 for the fiscal year ended June 30, 2017. Indirect MOE expenditures tested totaled \$171,324. No other exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$2,537,340 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Remaining Fund Bala	
2016/2017	Local Fair Share (M2)	\$	729,803

We agreed the fund balance of \$729,803 to the City's Expenditure Report (Schedule 1, line 20), with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 236, Measure M Local Fair Share Fund as a transfer out to Fund 415, Capital Projects Fund, and Fund 232, Gas Tax Fund. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$867,699 (see Schedule A), which agrees to the City's Expenditure Report (Schedule 2 line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$835,360 representing approximately 96% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger detail, Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

Findings: No exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinch Trie, Dry; Co, Co, Col Laguna Hills, California

March 12, 2018

CITY OF CYPRESS, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Maintenance:	
Street Lights & Traffic Signals - Schedule 3, line 13	\$ 841,660
Other Street Purpose Maintenance - Schedule 3, line 15	1,576,551
Construction:	
New Street Construction - Schedule 3, line 2	450,000
Street Reconstruction - Schedule 3, line 3	637,554
Pedestrian Ways & Bikepaths - Schedule 3, line 5	684,552
Administrative/Other (Indirect & Overhead) - Schedule 3, line 1	1,010,500
Total MOE Expenditures	5,200,817
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Residential Street Resurfacing Program	360,000
Arterial Regabilitation Program	507,699
Total Measure M2 Local Fair Share Expenditures	867,699
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 6,068,516

Note:

The above amounts were taken directly from the financial records of the City of Cypress and were not audited.



CITY of CYPRESS

5275 Orange Avenue, Cypress, California 90630
Phone 714-229-6700 www.cypressca.org

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of Cypress as of and for the fiscal year ended June 30, 2017.

Excerpts from Agreed Upon Procedures Report:

Procedure #5

We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 1), explaining differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

Findings

Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,010,500 as indirect costs. However, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified additional indirect costs charged as MOE expenditures in Line 15 of the City's Expenditure Report totaling \$167,320 for the fiscal year ended June 30, 2017. Indirect MOE expenditures tested totaled \$171,324. No other exceptions were found as a result of this procedure.

City's Response:

Total MOE expenditures of \$5,200,817 reported by the City are accurate. The indirect costs of \$167,320 reported on line 15 and identified above are costs attributable to the City's street maintenance programs, such as allocations of office operating costs, information technology services, and equipment costs. In the future, these maintenance costs will be reported on Schedule 3, line 1 of the M2 Expenditure Report, as requested in Procedure # 5 above.

Sincerely,

Title: City Manager

Title: Director of Finance

Title: Director of Community Development





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF IRVINE

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Irvine's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$5,452,970 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (001), under the Public Works Departments. No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$20,068,761 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$20,068,761 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$4,374,515, representing approximately 22% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified three expenditures, totaling \$112,469, which were not properly classified as local street and road expenditures, nor were the costs allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$5,844,732 as indirect costs. Additionally, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, the City reported \$572,153 of costs related to internal fleet vehicle rental allocations charged as MOE expenditures in lines 12 and 15 of the expenditure report for the fiscal year ended June 30, 2017. Indirect MOE expenditures tested totaled \$3,076,659. No exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$13,058,840 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$	2,159,451

We agreed the fund balance of \$2,159,451 to the City's Expenditure Report (Schedule 1, line 20), with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 154, Renewed Measure M2 Fair Share Fund as a transfer out to Fund 132 – Slurry Seal and Fund 250 – Capital Improvement Projects Fund. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$7,679,120 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$6,639,235 representing approximately 86% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the Expenditure Report (Schedule 3, Line 1), the City reported \$101,731 as indirect costs for the fiscal year ended June 30, 2017. However, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified additional indirect costs charged as M2 expenditures in Line 3 of the City's Expenditure Report totaling \$19,528 for the fiscal year ended June 30, 2017. Indirect M2 expenditures tested totaled \$10,945. No other exceptions were found as a result of this procedure.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

<u>Findings:</u> No exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavinch Trie, Dry; Co, Ul Laguna Hills, California

March 12, 2018

CITY OF IRVINE, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance of Effort (MOE) Expenditures: Maintenance:	
Overlay & Sealing - Schedule 3, line 12	\$ 5,685,510
Other Street Purpose Maintenance - Schedule 3, line 15	8,538,519
Administrative/Other (Indirect & Overhead) - Schedule 3, line 1	5,844,732
Total MOE Expenditures	20,068,761
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Arterial and Local Street Rehabilitation Projects	
15-16 Slurry Seal and Street Rehabilitation (Job #311601)	4,536,306
Yale Avenue Pavement Rehabiliation (Job #311506)	2,597,682
Alton Parkway Pavement Rehabiliation (Job #311602)	105,333
Michelson Drive Pavement Rehabilitation (Job #311603)	24,016
Campus Street Pavement Rehabilitation (Job #311604)	67,458
New Traffic Signals	
Kazan/Walnut Traffic Signal (Job #311607)	213,367
McGaw/Armstrong Traffic Signal (Job #311608)	127,441
Traffic Signal LED Rehabilitation and Upgrades (Job #311701)	7,517
Total Measure M2 Local Fair Share Expenditures	7,679,120
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 27,747,881

Note:

The above amounts were taken directly from the financial records of the City of Irvine and were not audited.



Administrative Services Department

cityofirvine.org

P.O. Box 19575, Irvine, CA 92623-9575

(949) 724-6255

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of Irvine as of and for the fiscal year ended June 30, 2017.

Procedure #4

We selected a sample of Maintenance of Effort (MOE) expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings

MOE expenditures tested totaled \$4,374,515, representing approximately 22 percent of total MOE expenditures for the fiscal year ended June 30, 2017. We identified three expenditures, totaling \$112,469, that were not properly classified as local street and road expenditures, nor were the costs allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's Response:

The City will update its accounting structure to provide staff a more accurate method to record vendor invoices that comingle non-street related expenditures with street expenditures associated with the MOE reporting calculation. Staff members in Public

March 12, 2018 M2 Response Letter Page 2

Works and Fiscal Services will be trained on the new accounting structure. With the City's implementation of these new processes future reporting will only include street expenditures.

Procedure #9

We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings</u>

Based upon inspection of the Expenditure Report (Schedule 3, Line 1), the City reported \$101,731 as indirect costs for the fiscal year ended June 30, 2017. However, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified additional indirect costs charged as M2 expenditures in Line 3 of the City's Expenditure Report totaling \$19,528 for the fiscal year ended June 30, 2017. Indirect M2 expenditures tested totaled \$10,945. No other exceptions were found as a result of this procedure.

City's Response:

The twenty percent allowable overhead for construction projects is recorded with direct salaries and benefits due to financial system limitations. City staff will review the system setup with the IT Department to determine if it can create a modification to the construction project accounting setup. This proposed modification will separate the twenty percent overhead from the direct salaries and benefits.

Sincerely,

Signed:

Print Name: Grace Leung

Print Name: Kristin Griffith

Title:

City Manager Pro Tempore

Title:

Director of Administrative Services

Signed:

Print Name:

Manuel Gomez

Title:

Director of Public Works



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF LAGUNA BEACH

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Laguna Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$1,417,616 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (110), under the Public Works (3101), Street Lighting (3601), and Fleet Maintenance (3102) Departments, Street Light fund (134) under department 3601, Gas Tax fund (132), and Capital Improvement fund (116) under department 3300. No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$5,616,628 (see Schedule A), which exceeded the requirement. The total expenditures reported on the City's Expenditure Report (Schedule 3, Line 18) were \$5,594,801, a difference of \$21,827. The difference is due to accruals posted by the City to the general ledger after the City's Expenditure Report was generated. No other exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$1,890,588 representing approximately 34% of total MOE expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$1,228,819 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Rema	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$	353,917	

We agreed the fund balance of \$353,917 to the City's Expenditure Report (Schedule 1, line 20) with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 132, Gas Tax Fund. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$427,944 (see Schedule A), which agrees to the City's Expenditure Report (Schedule 2 line 17 and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$376,577 representing approximately 88% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 2), explaining any differences.

<u>Findings:</u> Per inspection of the City's interest allocation, the City recorded \$5,113 of interest for the Measure M2 fund for the year ended June 30, 2017. The amount reported on the City's Expenditure Report (Schedule 2, Line 4) was \$5,074, a difference of \$39. No other exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Laguna Hills, California

Varinely, Trine, Day ; Co, US

March 12, 2018

\$

841,204 753,303

CITY OF LAGUNA BEACH, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance:	
Patching - Schedule 3, line 11	
Overlay & Sealing - Schedule 3, line 12	

•	
Street Lights & Traffic Signals - Schedule 3, line 13	18,600
Other Street Purpose Maintenance - Schedule 3, line 15	1.957.411

Construction:

Construction.	
Street Reconstruction - Schedule 3, line 3	138,242
Signals, Safety Devices & Street Lights - Schedule 3, line 4	86,165
Pedestrian Ways & Bikepaths - Schedule 3, line 5	314,349
Storm Drains - Schedule 3, line 6	1,485,527

Total MOE Expenditures 5,594,801

Measure M2 Local Fair Share Expenditures (Schedule 4):

Maintenance of Effort (MOE) Expenditures:

Street Slurry and Rehabilitation 427,944

Total MOE and Measure M2 Local Fair Share Expenditures

\$ 6,022,745

Note:

The above amounts were taken directly from the financial records of the City of Laguna Beach and were not audited.



March 12, 2018

Board of Directors Orange County Local Transportation Authority and the Taxpayers Oversight Committee of the Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of Laguna Beach as of and for the fiscal vear ended June 30, 2017.

Procedure #3

We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.

Findings

The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$5,616,628 (see Schedule A), which exceeded the requirement. The total expenditures reported on the City's Expenditure Report (Schedule 3, Line 18) were \$5,594,801, a difference of \$21,827. The difference is due to accruals posted by the City to the general ledger after the City's Expenditure Report was generated. No other exceptions were found as a result of this procedure.

City's Response:

The Finance Staff has implemented additional procedures and will continue to work with departments to submit invoices within the 90-day period of the fiscal year-end to meet requirements.

Procedure #10

We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 2), explaining any differences.

Findings

Per inspection of the City's interest allocation, the City recorded \$5,113 of interest for the Measure M2 fund for the year ended June 30, 2017. The amount reported on the City's Expenditure Report (Schedule 2, Line 4) was \$5,074, a difference of \$39. No other exceptions were found as a result of this procedure.

TEL (949) 497-3311

City's Response:

The Finance Staff has implemented additional procedures including having a finance employee outside of the reporting process review the entry.

Sincerely,

Title: City Manager

Title: Director of Administrative Services



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF LOS ALAMITOS

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Los Alamitos' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$147,465 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (10), under the Street Maintenance Division. No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$555,082, (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$555,082 to the amount reported on the City's Expenditure Report (Schedule 3, Line 18) with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$166,100, representing approximately 30% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified one expenditure, totaling \$2,449 that was not properly classified as a local street and road expenditure, nor was the cost allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$624,827 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$ 115,086	

We agreed the fund balance of \$115,086 to the City's Expenditure Report (Schedule 1, lines 20) with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 26, Measure M Fund. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$389,153 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2 line 17 and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$352,156 representing approximately 90% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 2), explaining any differences.

Findings: No exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's response to certain findings are included in Exhibit 1. The response is included for the purposes of additional information and was not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's response and express no assurance or opinion on it.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavinch Trie, Dry; Co, Col Laguna Hills, California

March 12, 2018

CITY OF LOS ALAMITOS, CALIFORNIA Schedule of MOE and Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance of Effort (MOE) Expenditures:

N/I	วาท	tens	ince:

Maintenance:	
Other Street Purpose Maintenance - Schedule 3, line 15	\$ 555,082
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Alley Improvement Program	8,838
Street Tree program	15,000
Street Marking/Striping	2,000
Crosswalk Improvements	1,562
ADA Ramps/Sidewalks	47,712
Catalina Trucks Crossing Rehab	33,178
Old Dutch Haven	280,863
Total Measure M2 Local Fair Share Expenditures	389,153
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 944,235

Note:

The above amounts were taken directly from the financial records of the City of Los Alamitos and were not audited.

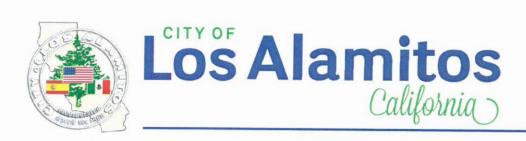


EXHIBIT 1

Los Alamitos, CA 90720-5600 Telephone: (562) 431-3538 FAX: (562) 493-1255 www.cityoflosalamitos.org

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of Los Alamitos as of and for the fiscal year ended June 30, 2017.

Procedure #4

We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Finding

MOE expenditures tested totaled \$166,100, representing approximately 30% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified one expenditure, totaling \$2,449 that was not properly classified as a local street and road expenditure, nor was the cost allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement.

City's Response:

There was a charge found in error that was coded to the MOE expenditures. The partial water bill pertaining to Lewis Park was charged to Streets and Maintenance instead of Park Maintenance. This clerical error in the allocation of our spreadsheet to allocate cost is an isolated error. We have ensured all other MOE charges were valid and for streets maintenance.

Sincerely,

Title: Bret Plumlee, City Manager

Title: Maria-Luisa Valdez, Interim Admin.

Services Director

Title: Steven Mendoza, Development Services Director





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF RANCHO SANTA MARGARITA

Board of Directors Orange County Local Transportation Authority and the Taxpayers Oversight Committee of the Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Rancho Santa Margarita's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$358,155 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (100), under the Street Maintenance Division (620). No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$358,155 (see Schedule A), which met the requirement. We agreed the total expenditures of \$358,155 to the amount reported on the City's Expenditure Report (Schedule 3, line 18) with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$273,347, representing approximately 76% of total MOE expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$2,035,651 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Rema	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$	124,412	

We agreed the fund balance of \$124,412 to the City's Expenditure Report (Schedule 1, line 20) with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 212, Measure M Fund as transfers to other funds. The underlying expenditures are recorded in the General Fund (100), under the Street Maintenance Division (620) and in the CIP Fund (410). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$791,586 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2 line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$588,315 representing approximately 74% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

Findings: No exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavinch Trie, Doz; Co, W. Laguna Hills, California

March 12, 2018

CITY OF RANCHO SANTA MARGARITA, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance of Effort (MOE) Expenditures:

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Maintenance:	
Other Street Purpose Maintenance - Schedule 3, line 15	\$ 358,155
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Annual Residential Overlay	136,465
Street Maintenance Program	543,184
Median Hardscape Renovation	35,988
Traffic Signal Enhancements	42,472
Avenida De Las Banderas and Camino Altozano Traffic Signal Modification	33,477
Total Measure M2 Local Fair Share Expenditures	 791,586
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 1,149,741

Note:

The above amounts were taken directly from the financial records of the City of Rancho Santa Margarita and were not audited.



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF SAN CLEMENTE

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$951,000 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (001), under various program codes such as Development Engineering (411), Traffic (413), Design and Development (414), Major Street Maintenance (416), and City Administration (203). No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$5,334,565 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$5,334,565 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$2,074,907 representing approximately 39% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified one expenditure totaling \$397,250 which was not properly classified as a local street and road expenditure, nor was the cost allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,209,874 as indirect costs. Indirect MOE expenditures tested totaled \$469,231. No exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$2,678,720 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Rema	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$	927,806	
2015/2016	Local Fair Share (M2)	\$	585,042	

We agreed the fund balance of \$1,512,848 to the City's Expenditure Report (Schedule 1, line 20), with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 042, Street Improvement Fund under the Ave Presidio Rehab project #14331. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$11,677 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2 line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$8,187 representing approximately 70% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. We identified two expenditures, totaling \$3,878, related to payroll overhead costs. The City allocates 90% of direct payroll as overhead to account for administration costs. The 90% rate was determined as part of an analysis performed in 2008 to estimate overhead costs for staff time. We were unable to verify through a recent cost study the current overhead allocation rate of 90%. Total overhead in the population for the year ended June 30, 2017 was \$5,886. No other exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the Expenditure Report (Schedule 3, Line 1), the City reported \$0 as indirect costs for the fiscal year ended June 30, 2017. However, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified indirect costs charged as M2 expenditures in Line 3 of the City's Expenditure Report totaling \$5,886 for the fiscal year ended June 30, 2017. Refer to discussion under procedure 8.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

<u>Findings:</u> Based on inspection of the Expenditure Report (Schedule 2, line 4), the City reported \$0 as interest revenues for the fiscal year ended June 30, 2017. However, per discussions with City's accounting personnel and inspection of the general ledger expenditure detail, the City recorded \$10,697 in interest income. No other exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Laguna Hills, California

Vavinch, Trine, Day; Co, UP

March 12, 2018

CITY OF SAN CLEMENTE, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance of Effort	(MOE)	Expenditures:
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Triumventune et Effett (1702) Enpendieures.	
Maintenance:	
Patching - Schedule 3, line 11	\$ 354,022
Overlay & Sealing - Schedule 3, line 12	1,317,784
Street Lights & Traffic Signals - Schedule 3, line 13	1,696,595
Construction:	
Street Reconstruction - Schedule 3, line 3	756,290
Administrative/Other (Indirect & Overhead) - Schedule 3, line 1	1,209,874
Total MOE Expenditures	5,334,565
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Avenida Presidio Rehabilitation - Phase II	11,677
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 5,346,242

Note

The above amounts were taken directly from the financial records of the City of San Clemente and were not audited.



March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of San Clemente as of and for the fiscal year ended June 30, 2017.

Procedure #4

We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings:

MOE expenditures tested totaled \$2,074,907 representing approximately 39% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified one expenditure totaling \$397,250 which was not properly classified as a local street and road expenditure, nor was the cost allowable per the Ordinance. However, after removing the amount from total MOE expenditures, the City continued to meet the minimum MOE requirement. No other exceptions were found as a result of this procedure.

City's Response:

The Finance Department received a request from Engineering to move this project (19907 – Shoreline Feasibility Study – Phase III) from the Engineering street program to Beaches, Parks and Recreation in the new year, so that these costs will be appropriately classified.

Procedure #8

We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

Findings:

Measure M2 Local Fair Share expenditures tested totaled \$8,187 representing approximately 70% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. We identified two expenditures, totaling \$3,878, related to payroll overhead costs. The City allocates 90% of direct payroll as overhead to account for administration costs. The 90% rate was determined as part of an analysis performed in 2008 to estimate overhead costs for staff time. We were unable to verify through a recent cost study the current overhead allocation rate of 90%. Total overhead in the population for the year ended June 30, 2017 was \$5,886. No other exceptions were found as a result of this procedure.

City's Response:

The City will provide a detailed methodology that represents the administration costs and will need to update its cost allocation recovery percentages.

Procedure #9

We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Findings:

Based upon inspection of the Expenditure Report (Schedule 3, Line 1), the City reported \$0 as indirect costs for the fiscal year ended June 30, 2017. However, per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified indirect costs charged as M2 expenditures in Line 3 of the City's Expenditure Report totaling \$5,886 for the fiscal year ended June 30, 2017. Refer to discussion under procedure 8.

City's Response:

The City will implement procedures to ensure these costs are appropriately reported on the correct line of the City's Measure M2 Expenditure Report. The City will provide a detailed methodology that represents the administration costs and will need to update its cost allocation recovery percentages.

Procedure #10

We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

Findings:

Based on inspection of the Expenditure Report (Schedule 2, line 4), the City reported \$0 as interest revenues for the fiscal year ended June 30, 2017. However, per discussions with City's accounting personnel and inspection of the general ledger expenditure detail, the City recorded \$10,697 in interest income. No other exceptions were found as a result of this procedure.

City's Response:

The City will implement procedures to ensure interest earned is appropriately reported on the City's Measure M2 Expenditure Report.

Sincerely,

Title: Assistant City Manager

Title: Public Works Director

Title: Deputy Administrative Services Director



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF SAN JUAN CAPISTRANO

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of San Juan Capistrano's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$390,383 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (1), under Department (8) Public Works. No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.
 - <u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$2,332,212 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$2,332,212 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$348,415, representing approximately 15% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified three expenditures, totaling \$3,990 that were not properly classified as local street and road expenditures, nor were the costs allowable per the Ordinance. Additionally, we identified expenditures, totaling \$102,447, related to overhead costs. The City allocated 60% of general ledger expenditures for administration costs related to street and road maintenance, but was not able to provide support to substantiate the 60% allocation basis. MOE expenditures subject to the 60% allocation totaled \$1,034,610. However, after removing the amounts from total MOE expenditures and subject to the exceptions described above, the City met the minimum MOE requirement.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$817,978 as indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2017. Indirect MOE expenditures tested totaled \$114,707 of which \$102,447 was not appropriately supported as described in Procedure 4. Of the \$817,978 reported by the City, \$565,610 was related to the 60% allocation, which could not be substantiated, and were removed from the total MOE expenditures, as described in procedure 4. No other exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$1,825,580 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Rema	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$	614,421	
2015/2016	Local Fair Share (M2)		90,357	

We agreed the fund balance of \$704,778 to the City's Expenditure Report (Schedule 1, line 20), with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 32, Measure M Fund as transfers out to Fund 50 Capital Projects Fund. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$623,549 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2 line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Measure M2 Local Fair Share expenditures tested totaled \$465,384 representing approximately 75% of total Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based upon inspection of the general ledger expenditure detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, the City reported \$322 as indirect costs for the fiscal year ended June 30, 2017. Indirect M2 expenditures tested totaled \$127. No exceptions were found as a result of this procedure.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

Findings: No exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Laguna Hills, California

Vavinel Trie, Day; Co, UP

March 12, 2018

CITY OF SAN JUAN CAPISTRANO, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

M	aintenance of	of Effort	(MOE)	Expenditures:
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Municonduce of Effort (MOE) Exponditures.	
Maintenance:	
Patching - Schedule 3, line 11	\$ 119,677
Street Lights & Traffic Signals - Schedule 3, line 13	325,026
Storm Damage - Schedule 3, line 14	59,190
Other Street Purpose Maintenance - Schedule 3, line 15	1,010,341
Administrative/Other (Indirect & Overhead) - Schedule 3, line 1	817,978
Total MOE Expenditures	2,332,212
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Bridge at Acjachema Street and La Calera Street (CIP 13102)	246
Traffic Signal Cabinet Upgrades (CIP 16101)	6,961
Second Eastbound Turn Lane at Del Obispo & Camino Capistrano (CIP 16103)	3,512
City Pavement Rehabilitation (CIP 16105)	445,585
Arterial Street Pavement Rehabilitation (CIP 16109)	167,245
Total Measure M2 Local Fair Share Expenditures	623,549
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 2,955,761

Note:

The above amounts were taken directly from the financial records of the City of San Juan Capistrano and were not audited.

32400 PASEO ADELANTO SAN JUAN CAPISTRANO, CA 92675 (949) 493-1171 (949) 493-1053 FAX www.sanjuancapistrano.org Juan Control of the C

MEMBERS OF THE CITY COUNCIL

SERGIO FARIAS KERRY K. FERGUSON BRIAN L. MARYOTT PAM PATTERSON, ESQ. DEREK REEVE

March 12, 2018

Board of Directors Orange County Local Transportation Authority and the Taxpayers Oversight Committee of the Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of San Juan Capistrano as of and for the fiscal year ended June 30, 2017.

Procedure #4

We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings

MOE expenditures tested totaled \$348,415, representing approximately 15% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified three expenditures, totaling \$3,990 that were not properly classified as local street and road expenditures, nor were the costs allowable per the Ordinance. Additionally, we identified expenditures, totaling \$102,447, related to overhead costs. The City allocated 60% of general ledger expenditures for administration costs related to street and road maintenance, but was not able to provide support to substantiate the 60% allocation basis. MOE expenditures subject to the 60% allocation totaled \$1,034,610. However, after removing the amounts from total MOE expenditures and subject to the exceptions described above, the City met the minimum MOE requirement.

City's Response:

The expenditures noted by the auditors will be reclassified to divisions that are not involved in the maintenance of effort computation. On a go-forward basis, these costs and any other costs that are not street-related will also be coded to divisions that are not involved in the maintenance of effort computation. We will also remove from the City's maintenance of effort computation the overhead and indirect costs noted above, including any payroll and administrative costs associated with the 60% allocation described in the audit finding. As noted by the auditors, after removing these costs, the City's maintenance of effort expenditures exceed the amount required by over \$1 million.

San Juan Capistrano: Preserving the Past to Enhance the Future



We identified whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

Findings

Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$817,978 as indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2017. Indirect MOE expenditures tested totaled \$114,707 of which \$102,447 was not appropriately supported as described in Procedure 4. Of the \$817,978 reported by the City, \$565,610 was related to the 60% allocation, which could not be substantiated, and were removed from the total MOE expenditures, as described in procedure 4. No other exceptions were found as a result of this procedure.

City's Response:

See our response to the findings noted for Procedure #4.

Sincerely,

Benjamin Siegel, City Manager

Steve May, Public Works & Utilities Director

Ken Al-Imam, Chief Financial Officer



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES — CITY OF VILLA PARK

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Villa Park's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- 1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.
 - <u>Findings:</u> The City was required to spend \$279,227 in MOE expenditures during the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.
- 2. We described which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.
 - <u>Findings:</u> All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (01), under the Public Works, Street Maintenance, Storm Drain Maintenance, and Engineering Departments. No exceptions were found as a result of this procedure.
- 3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2017 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.

<u>Findings:</u> The City's MOE expenditures for the fiscal year ended June 30, 2017 were \$284,019 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$284,019 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

- 4. We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

<u>Findings:</u> MOE expenditures tested totaled \$102,383, representing approximately 36% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified one expenditure, totaling \$1,350, was not properly classified as a local street and road expenditure, nor was the cost allowable per the Ordinance. We also were unable to agree the dollar amount listed on the general ledger to supporting documentation for 10 samples totaling \$6,935; however, the City asserted that the nature of the expenditures were properly classified as local street and road expenditures, and allowable per the Ordinance. After removing \$8,285 from total MOE expenditures, the City no longer met the minimum MOE requirement.

Per discussions with the City's management and inspection of the general ledger, the City identified an additional \$7,000 of allowable cost not previously reported in the City's Expenditure Report. After including the additional transactions to the total MOE expenditures, the City met the minimum MOE requirement.

5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$151,573 as indirect costs. Indirect MOE expenditures tested totaled \$14,376 of which \$1,980 was not appropriately supported as described in Procedure 4. No other exceptions were found as a result of this procedure.

6. We obtained a listing of Measure M2 Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Local Fair Share Fund as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 20), and determined whether funds were expended within three years of receipt, explaining any differences.

<u>Findings:</u> The City received \$251,683 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance of these funds was as follows:

Allocation Year	Funding Source	Remaining Fund Balance	
2016/2017	Local Fair Share (M2)	\$ 86,388	_
2015/2016	Local Fair Share (M2)	2,858	

We agreed the fund balance of \$89,246 to the City's Expenditure Report (Schedule 1, line 20), with no differences. No exceptions were found as a result of this procedure.

7. We described which fund the City used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the total Local Fair Share expenditures per the general ledger to the amounts reflected on the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4), explaining any differences.

<u>Findings:</u> The City's Measure M2 Local Fair Share expenditures are recorded in Fund 05, Measure M Fund. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2017 were \$0 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2 line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

- 8. We obtained the City's Seven-Year Capital Improvement Program (CIP). We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. We selected a sample of Measure M2 Local Fair Share expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects.

<u>Findings:</u> Total Measure M2 Local Fair Share expenditures during the fiscal year ended June 30, 2017 were \$0. As such, this procedure was not applicable. Further, no projects were listed on Schedule 4.

9. We identified whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Total Measure M2 Local Fair Share expenditures during the fiscal year ended June 30, 2017 were \$0. As such, this procedure was not applicable. Further, no projects were listed on Schedule 4.

10. We reviewed the City's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 4), explaining any differences.

<u>Findings:</u> No exceptions were found as a result of this procedure.

11. We determined the City was found eligible by the TOC Eligibility Subcommittee.

<u>Findings:</u> We inspected the minutes of the TOC and verified that the TOC Eligibility Subcommittee found the City was eligible to receive Measure M2 Local Fair Share funds. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purposes of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Laguna Hills, California

Vavinel Trie, Day ; Co, UP

March 12, 2018

CITY OF VILLA PARK, CALIFORNIA Schedule of Measure M2 Local Fair Share Expenditures Year Ended June 30, 2017 (Unaudited)

Maintenance of Effort (MOE) Expenditures:

Overlay & Sealing - Schedule 3, line 12	\$ 59,295
Street Lights & Traffic Signals - Schedule 3, line 13	13,521
Storm Damage - Schedule 3, line 14	12,124
Other Street Purpose Maintenance - Schedule 3, line 15	47,506
Administrative/Other (Indirect & Overhead) - Schedule 3, line 1	151,573
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 284,019

Note:

The above amounts were taken directly from the financial records of the City of Villa Park and were not audited.

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www.villapark.org

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the City of Villa Park as of and for the fiscal year ended June 30, 2017.

Procedure #4

We selected a sample of MOE expenditures from the City's general ledger expenditure detail, and described the percentage of total expenditures selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings

MOE expenditures tested totaled \$102,383, representing approximately 36% of total MOE expenditures for the fiscal year ended June 30, 2017. We identified one expenditure, totaling \$1,350, was not properly classified as a local street and road expenditure, nor was the cost allowable per the Ordinance. We also were unable to agree the dollar amount listed on the general ledger to supporting documentation for 10 samples totaling \$6,935; however, the City asserted that the nature of the expenditures were properly classified as local street and road expenditures, and allowable per the Ordinance. After removing \$8,285 from total MOE expenditures, the City no longer met the minimum MOE requirement.

Per discussions with the City's management and inspection of the general ledger, the City identified an additional \$7,000 of allowable cost not previously reported in the City's Expenditure Report. After including the additional transactions to the total MOE expenditures, the City met the minimum MOE requirement

City's Response:

The city acknowledges that the expenditure of \$1,350 was incorrectly classified. While the expenditures totaling \$6,935 relate to labor on an allowable local street and road project, the hours worked were not specifically detailed on timesheets.

The city agrees that expenditures should be supported by appropriate documentation. The city will work with staff to ensure that work on local street and road projects is identified as such on documentation such as timesheets.

Procedure #5

We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we compared indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we obtained detail of indirect costs charged, and selected a sample of charges for review. We reviewed the supporting documentation for reasonableness and appropriate methodology.

Findings

Based on inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$151,573 as indirect costs. Indirect MOE expenditures tested totaled \$14,376 of which \$1,980 was not appropriately supported as described in Procedure 4. No other exceptions were found as a result of this procedure.

City's Response:

The city agrees that expenditures should be supported by appropriate documentation. The city will work with staff to ensure that work on local street and road projects is identified as such on documentation such as timesheets.

Sincerely,

Title: Steve Franks, City Manager

Title: Frank Davies, Director of Finance

ATTACHMENT C

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2017

City	Result	City Management Response
Buena Park	Total expenditures per the general ledger did not agree to expenditures reported on four monthly summary reports tested and total expenditures for the year were underreported by \$12,877. In addition, three of the four reports tested were not submitted within 30 days, as required.	City of Buena Park staff will reconcile monthly reports to the general ledger and will request delivery receipts when submitting reports via email to ensure evidence of timely delivery.
Costa Mesa	The City of Costa Mesa's (Costa Mesa) contract with Keolis Transit Services outlines a rate based on "Vehicle Service Hours". Auditors identified \$6,798 in payments for billed service hours during which there was no service provided, per the related trip logs.	Costa Mesa responded that payment of nine hours per day, regardless of actual hours in service, had been standard for this contract; however, city staff conducted a procurement process in May 2017, that specifically outlined in the Scope of Work that charges are to be assessed based on acutal service hours. This new agreement was implemented on July 1, 2017.
	Costa Mesa staff had no evidence that the contract with Western Transit Services was competitively procured, as required.	Costa Mesa conducted a competitive procurement for these services in May 2017, and retained all documents and evidence of this procurement. The new service contract will be effective July 1, 2017.
	Expenditures reported on the monthly summary report for February 2017 did not agree to Costa Mesa's general ledger.	Costa Mesa's taff misinterpreted instructions for reporting expenditures on the monthly reports; however, this error was noted and corrected during monthly reporting for May 2017.
Laguna Niguel	The City of Laguna Niguel (Laguna Niguel) incurred total program expenditures of \$69,396 for the year, which included \$11,104 in city-provided general fund match and a match of \$13,878 provided by Laguna Niguel's third party service provider. The M2 funded portion of \$44,414 was incorrectly reflected as \$55,517 on Laguna Niguel's Mesaure M2 (M2) Expenditure Report.	Laguna Niguel correctly accounted for program expenditures in the general ledger; however, a clerical error was made and the Laguna Niguel's general fund match amount was included in the total reflected on the M2 Expenditure Report. In the future, a more thorough review will be performed to ensure accuracy of reporting.
Laguna Woods	None.	
San Clemente	The City of San Clemente (San Clemente) incurred total program expenditures of \$82,934 for the year, which included \$14,590 in city-provided general fund match and a match of \$16,587 provided by the San Clement's third party service provider. The M2 funded portion of \$51,757 was incorrectly reflected as \$66,347 on San Clemente's M2 Expenditure Report.	Due to staff turnover, San Clemente will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.
	San Clemente relies on its third party service provider to ensure participants are eligible. The third party service provider relies on the date of birth provided by the participant upon registration to determine eligibility.	Due to staff turnover, San Clemente will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.
	San Clemente originally procured a contract with Age Well Senior Services (Age Well) in 2011. The contract allowed for an initial term of three years and one, two-year option. In May 2016, one month prior to expiration of the contract, San Clemente staff prepared an agenda report stating that "OCTA is giving cities the option to enter into a five year revewal with their paratransit service providers". San Clemente staff could not provide documentation to support this statement and the Orange County Transportation Authority asserted no such direction had been given.	
	San Clemente's total match was incorrectly reported on all four of the monthly reports tested.	Due to staff turnover, San Clemente will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.

SUMMARY OF AGREED-UPON PROCEDURES REPORTS Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2017

City	Result	City Management Response
San Juan Capistrano	Report did not include interest of \$130.	The interest earned for this program was commingled in SJC's general fund interest income. As a result, the amount was not reported in the Expenditure Report. Starting in fiscal year 2017-18, SJC allocates interest on unspent program funds using a separate cost center. The interest income will be reported properly going forward.
	general ledger. Also, three of the four reports were not submitted within 30 days of month end, as required.	Starting with the monthly report for February 2018, the Assistant Finance Director will review amounts included on the monthly reports to ensure agreement with the general ledger. Also, staff has directed the third party service provider to submit its reports to the SJC within 21 days of month end so that SJC can prepare and submit its monthly reports on time.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2017

ORANGE COUNTY LOCAL TRANSPORATION AUTHORITY

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2017

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2017. Please refer to the individual divider tab for our report on each Agency.

City of Buena Park
City of Costa Mesa
City of Laguna Niguel

City of Laguna Woods

City of San Clemente

City of San Juan Capistrano





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF BUENA PARK

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Buena Park's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

<u>Findings:</u> The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its General Fund (11) Activity 275325 Senior Mobility Program. During the year ended June 30, 2017, the City reported total program expenditures of \$112,297, which included the City's match. The City reported \$72,079 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

<u>Findings:</u> The City received \$209,492 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The City had \$0 remaining fund balance as of June 30, 2017, which agreed to the City's Expenditure Report (Schedule 1, line 24).

The City received \$72,079 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

4. We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

<u>Findings:</u> The City reported \$0 of interest income for the year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2017.

<u>Findings</u>: The total match expenditures amounted to \$40,218 which is approximately 36% of the total expenditures of \$112,297. No exceptions were found as a result of this procedure.

- 6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> Measure M2 Senior Mobility Program expenditures tested totaled \$47,465 representing approximately 42% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the City reviews and validates date of birth documented on registration forms, to ensure participants are 60 years of age or older. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and have described the dollar and percentage tested. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were identified as a result of this procedure.

- 9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City did not contract with a third party service provider for senior transportation service. No exceptions were found as a result of this procedure.

- 10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

<u>Findings:</u> We obtained and inspected the insurance coverage for the City, identifying that the requirements established by the Cooperative Agreement were met. Additionally, the current year proof of insurance was submitted and is on file with OCLTA. No exceptions were identified as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

<u>Findings</u>: We sampled four monthly summary reports (August 2016, November 2016, February 2017, and June 2017). Through inspection of the four reports, expenditures did not agree to the general ledger balances as shown below. Total expenditures for the year were under reported by \$12,877, or 11% of the actual general ledger balances.

			Variance
Reporting	Total OCTA and City	Amount per City's	Over
Month	Contribution	General Ledger	(under)
August 2016	\$8,297	\$6,933	\$1,363
November 2016	8,493	9,453	(960)
February 2017	8,620	8,154	466
June 2017	8,308	11,264	(2,956)

In addition, three of four reports were timely submitted within 30 days of month end to OCLTA. The August 2016 summary report was submitted on September 30, 2016 to the incorrect email address, and resubmitted to the correct email address on October 3, 2016. No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Vavinch Txin, Dry; Co, Ul Laguna Hills, California

March 12, 2018



FINANCE DEPARTMENT

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of Buena Park as of and for the fiscal year ended June 30, 2017.

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings

We sampled four monthly summary reports (August 2016, November 2016, February 2017, and June 2017). Through inspection of the four reports, expenditures did not agree to the general ledger balances as shown below. Total expenditures for the year were under reported by \$12,877, or 11% of the actual general ledger balances.

	Total OCTA and	Amount per City's General	Variance Over	
Reporting Month	City Contribution	Ledger	(under)	
August 2016	\$8,297	\$6,933	\$1,363	
November 2016	8,493	9,453	(960)	
February 2017	8,620	8,154	466	
June 2017	8,308	11,264	(2,956)	

In addition, three of four reports were timely submitted within 30 days of month end to OCLTA. The August 2016 summary report was submitted on September 30, 2016 to the incorrect email address, and resubmitted to the correct email address on October 3, 2016. No other exceptions were found as a result of this procedure.

City's Response:

The City's Community Services Department staff will reconcile monthly reports to City's general ledger before submitting them to OCTA. Staff will also request a delivery and read receipts when submitting reports via email, so staff would be notified if reports do not get properly delivered and resend it again in a timely fashion.

Sincerely,

Title: City Manager

Title: Director of Finance

Title: Director of Community Services



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF COSTA MESA

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

<u>Findings:</u> The City's expenditures are tracked in the general ledger by fund, department, program and object. The City records its Senior Mobility Program expenditures in its General Fund (101), Recreation Department (org #14300), Senior Center (program #40231), under Recreation Rental (object #535403). Payroll expenditures are tracked under Object #501201 (Management) and Object #501202 (Non-management). Vehicle expenses are tracked under Object #536101 (Internal Rent – Maintenance Charges). During the year ended June 30, 2017, the City reported total program expenditures of \$113,077, which included the City's match. The City reported \$86,460 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

<u>Findings:</u> The City received \$251,227 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The City had \$0 remaining fund balance as of June 30, 2017, which agreed to the City's Expenditure Report (Schedule 1, line 24).

The City received \$86,439 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

4. We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

<u>Findings:</u> The City reported \$21 of interest income for the year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

Additionally, we inquired of the City's fare collection methodology. The City and the third party contractor did not charge or collect fares for the senior transportation program during the year. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2017.

<u>Findings</u>: The total match expenditures amounted to \$26,617 which is approximately 24% of the total expenditures of \$113,077. No exceptions were found as a result of this procedure.

- 6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> Measure M2 Senior Mobility Program expenditures tested totaled \$88,676 representing approximately 78% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. Per inspection of supporting documentation, the City paid \$88,183 to Keolis Transit Services (DBA Western Transit Systems) for taxi services. Per inspection of the agreement with Western Transit Systems, the City pays an hourly rate based on "Vehicle Service Hours". Per inspection of the invoices and the related service trip logs for each month, we identified differences between service hours billed on invoices of \$88,183 compared to supporting trip logs service hours of \$81,386. This resulted in payments of \$6,798 in excess of supported trip log hours. No other exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the City inspects and verifies date of birth documented on registration forms, to ensure participants are 60 years of age or older. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and have described the dollar and percentage tested. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

- 9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, Keolis Transit Services (DBA Western Transit Systems), to provide senior transportation services under the Senior Mobility Program. The City has contracted with Western Transit Systems since October 1, 2011. According to City staff, the procurement in 2011 relied upon a competitive process conducted by the City of Seal Beach; however, the City did not have evidence of bidding documentation for that procurement and, because the services differed, the rates provided to the City were not the same as the rates provided to Seal Beach. The contract was originally executed for a three year term with one, two year option term; however the City amended the contract in October 2016 to extend the term to December 31, 2016 and in January 2017, the City amended the contract again to extend the term six months to June 30, 2017.

The City maintains wheelchair accessible vehicles, which are used by Western Transit Systems for service. No other exceptions were found as a result of this procedure.

- 10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

<u>Findings:</u> Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, Keolis Transit Services (DBA Western Transit Systems), to provide transportation services under the Senior Mobility Program. We obtained and inspected the insurance coverage for Keolis Transit Services, and verified the requirements established in the Cooperative Agreement were met.

The current year proof of insurance for the City and the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

<u>Findings:</u> Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures did not agree to supporting documentation as shown below:

Reporting Month	Amount Reported as Monthly Costs		ount per s General edger	Variance	
February-17	\$ 9,322	\$	9,288	\$	34

In addition, three of the four reports were submitted timely to OCLTA within 30 days of month end. Per discussion with City personnel, OCLTA approved an extension for the July 2016 report due to the implementation of the new reporting form. We verified that the City submitted the fourth report within the revised approved deadline. Aside from the variance identified above, no other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Laguna Hills, California

Vavinel Trine, Dry ; Co, Ut

March 12, 2018



P.O. Box 1200, COSTA MESA, CALIFORNIA 92628-1200

PARKS & COMMUNITY SERVICES DEPARTMENT

March 12, 2018

Board of Directors Orange County Local Transportation Authority and the Taxpayers Oversight Committee of the Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of Costa Mesa as of and for the fiscal year ended June 30, 2017.

Procedure #6

We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings

Measure M2 Senior Mobility Program expenditures tested totaled \$88,676 representing approximately 78% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. Per inspection of supporting documentation, the City paid \$88,183 to Keolis Transit Services (DBA Western Transit Systems) for taxi services. Per inspection of the agreement with Western Transit Systems, the City pays an hourly rate based on "Vehicle Service Hours". Per inspection of the invoices and the related service trip logs for each month, we identified differences between service hours billed on invoices of \$88,183 compared to supporting trip logs service hours of \$81,386. This resulted in payments of \$6,798 in excess of supported trip log hours. No other exceptions were found as a result of this procedure.



P.O. Box 1200, COSTA MESA, CALIFORNIA 92628-1200

PARKS & COMMUNITY SERVICES DEPARTMENT

City's Response:

The City of Costa Mesa had two separate billing agreements with Keolis/Western Transit. The first, for the Senior Mobility Program (SMP) was charged at 9.0 hours/day. This was standard, and after communicating with Keolis/Western Transit, they stated that each day was billed at 9.0 hours, per the agreement, regardless of actual numbers of hours in service.

When the City submitted an RFP for the new contract in April/May 2017, this was specifically outlined in the Scope of Work and charges for the program accurately reflect the number of hours of service that are provided. The issue has been rectified and staff verify that all documents match the number of hours the service is being provided. Staff proactively ensured that this issue was addressed when the new agreement was implemented on July 1, 2017.

Procedure #9

We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:

- a. Verified that the Contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings

Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, Keolis Transit Services (DBA Western Transit Systems), to provide senior transportation services under the Senior Mobility Program. The City has contracted with Western Transit Systems since October 1, 2011. According to City staff, the procurement in 2011 relied upon a competitive process conducted by the City of Seal Beach; however, the City did not have evidence of bidding documentation for that procurement and, because the services differed, the rates provided to the City were not the same as the rates provided to Seal Beach. The contract was originally executed for a three year term with one, two year option term; however the City amended the contract in October 2016 to extend the term to December 31, 2016 and in January 2017, the City amended the contract again to extend the term six months to June 30, 2017.

The City maintains wheelchair accessible vehicles, which are used by Western Transit Systems for service. No other exceptions were found as a result of this procedure.



P.O. Box 1200, COSTA MESA, CALIFORNIA 92628-1200

PARKS & COMMUNITY SERVICES DEPARTMENT

City's Response:

The Costa Mesa Senior Center, prior to September 2014, was under the operation of a non-profit corporation, and was partially subsidized by the City of Costa Mesa. When the City assumed responsibility of the programs and services, there was a transitional period where City staff began to put policies and procedures in place to efficiently operate the Senior Mobility Program; however, because the City was partially involved in the procurement process for this service, and paperwork was maintained by the non-profit agency, the documents to support the co-op agreement with Seal Beach are not on record for the City.

The City of Costa Mesa competitively procured services for this program in April/May 2017 and City Council approved a new contract in June 2017 for the term beginning July 1, 2017. Since the City is now overseeing and operating the Costa Mesa Senior Center, the procurement was completed in a competitive manner and all supporting documents are now on file with the City of Costa Mesa Finance Depatment/Purchasing.

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings

Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures did not agree to supporting documentation.

Reporting Month	Amount Reported as Monthly Costs		Amount per City's General Ledger		Variance	
February-17	\$ 9,322	\$	9,288	\$	34	

In addition, three of the four reports were submitted timely to OCLTA within 30 days of month end. Per discussion with City personnel, OCLTA approved an extension for the July 2016 report due to the implementation of the new reporting form. We verified that the City submitted the fourth report within the revised approved deadline. No exceptions were found as a result of this procedure.

City's Response:

There was a misinterpretation of how to present the total Senior Mobility Program expenditures for the month of February 2017, which was found during the monthly reporting for May 2017; therefore, the report



P.O. Box 1200, COSTA MESA, CALIFORNIA 92628-1200

PARKS & COMMUNITY SERVICES DEPARTMENT

reflected a difference of \$34. In the future, a more thorough review process will be completed to agree the general ledger expenditures to the Monthly Summary Report prior to submission to OCTA.

Sincerely,

Muss R. Hatts

Allen d'L In

Title: <u>City Manager</u>

Title: <u>Director of Finance</u>

Title: Director of Parks and Community Services





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF LAGUNA NIGUEL

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Laguna Niguel's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

<u>Findings:</u> The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in Senior Transportation Special Revenue Fund (253) under the Public Service Organization Grants (account #5560). During the year ended June 30, 2017, the City incurred total program expenditures of \$69,396, which included \$11,104 as the City's General Fund match and \$13,878 match by the City's third party contractor. The M2 funded portion of \$44,414 is different from the M2 Expenditure Report (Schedule 2, line 21 for Project U) of \$55,517, a difference of \$11,104. The City included portions of the match on the expenditure report. No other exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

<u>Findings:</u> The City received \$213,435 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance was as follows:

Allocation Year	Funding Source	Remaining Fund Balance		
2016/2017	Senior Mobility Program (M2)	\$ 73,436		
2015/2016	Senior Mobility Program (M2)	\$ 11,917		

We compared the fund balance of \$85,353 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$55,961, identifying a difference of \$29,392.

The City received \$73,436 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Aside from the items described in the previous paragraph, no other exceptions were found as a result of this procedure.

4. We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

<u>Findings:</u> The City reported \$593 of interest income for the year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

Additionally, we inquired of City's personnel regarding the fare collection methodology. The City and the third party contractor did not charge or collect fares for the senior transportation program during the year. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2017.

<u>Findings</u>: The total match expenditures amounted to \$24,982 which is approximately 36% of the total expenditures of \$69,396. No exceptions were found as a result of this procedure.

- 6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> Measure M2 Senior Mobility Program expenditures tested totaled \$42,797 representing approximately 62% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the third party contractor inspects and verifies date of birth documented on registration forms, to ensure participants are 60 years of age or older. Per inspection of the City's participant listing of approximately 100 registered participants, we identified one individual who was under the age of 60. The participant received services totaling \$1,686 throughout the year ended June 30, 2017. As a result of our discussions with management, the individual has been subsequently removed from the program. No other exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and have described the dollar and percentage tested. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

- 9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with Age Well Senior Services, to provide senior transportation services under the Senior Mobility Program. The City provided the latest executed contract with Age Well Senior Services, which was effective through June 30, 2013. The City was unable to provide support that Age Well Senior Services was competitively procured. Additionally, the City did not have a current executed contract for services provided during the fiscal year ended June 30, 2017. Per inspection of the last contract agreement effective through June 30, 2013, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed, however, Age Well's policies and procedures indicate wheelchair accessible vehicles are available.

- 10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

<u>Findings:</u> Based on our inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with Age Well Senior Services, to provide transportation services under the Senior Mobility Program. We obtained and inspected the insurance coverage for Age Well Senior Services, and verified the requirements established in the Cooperative Agreement were met.

The current year proof of insurance for the City and the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

<u>Findings:</u> Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures agreed to supporting documentation, and reports were submitted to OCLTA within 30 days of month end. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Vavrinch Trie, Dry; Co, UP Laguna Hills, California

March 12, 2018





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Mayor Elaine Gennawey
Mayor Pro Tem John Mark Jennings
Council Member Laurie Davies
Council Member Linda Lindholm
Council Member Fred Minagar

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of Laguna Niguel as of and for the fiscal year ended June 30, 2017.

Procedure #2

We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings:

The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in Senior Transportation Special Revenue Fund (253) under the Public Service Organization Grants (account #5560). During the year ended June 30, 2017, the City incurred total program expenditures of \$69,396, which included \$11,104 as the City's General Fund match and \$13,878 match by the City's third party contractor. The M2 funded portion of \$44,414 is different from the M2 Expenditure Report (Schedule 2, line 21 for Project U) of \$55,517, a difference of \$11,104. The City included portions of the match on the expenditure report. No other exceptions were found as a result of this procedure.

City's Response:

The City correctly accounted for Measure M2 Senior Mobility Program funded expenditures in the City's general ledger, however, a clerical error was made in that the General Fund portion of expenditures (the City's match) were inadvertently included in the M2 Expenditure Report. For the City's Fiscal Year 2017-2018 M2 Expenditure Report, a more thorough review process will be completed to agree the general ledger for the Senior Transportation Special Revenue Fund to the M2 Expenditure Report prior to submittal to OCTA.

Procedure #3

We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings:

The City received \$213,435 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The remaining fund balance was as follows:

Allocation Year	Funding Source	Remaining Fund Balance
2016/2017	Senior Mobility Program (M2)	\$ 73,436
2015/2016	Senior Mobility Program (M2)	\$ 11,917

We compared the fund balance of \$85,353 from the general ledger to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$55,961, identifying a difference of \$29,392.

The City received \$73,436 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Aside from the items described in the previous paragraph, no other exceptions were found as a result of this procedure.

City's Response:

The City correctly accounted for Measure M2 Senior Mobility Program activity in the City's general ledger, however, the beginning fund balance in the M2 Expenditure Report did not agree to the general ledger. Due to the change in the format of the M2 Expenditure Report for Fiscal Year 2016-17, the beginning balance is now to be broken out for Senior Mobility Program activity. There was a misinterpretation of how to present the beginning balance activity in the M2 Expenditure Report, therefore, the report reflected an incorrect amount. For the City's Fiscal Year 2017-2018 M2 Expenditure Report, a more thorough review process will be completed to agree the general ledger for the Senior Transportation Special Revenue Fund to the M2 Expenditure Report prior to submittal to OCTA, including the beginning fund balance.

Procedure #7

We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings:

We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the third party contractor inspects and verifies date of birth documented on registration forms, to ensure participants are 60 years of age or older. Per inspection of the City's participant listing of approximately 100 registered participants, we identified one individual who was under the age of 60. The participant received services totaling \$1,686 throughout the year ended June 30, 2017. As a result of our discussions with management, the individual has been subsequently removed from the program. No other exceptions were found as a result of this procedure.

City's Response:

The ineligible individual was admitted to the Senior Mobility Program under the previous Age Well program administration. When the City of Laguna Niguel took over the direct administration of the Senior Mobility Program in Fiscal Year 2017-18, all individuals that were being served under Age Well were grandfathered into the new program management. Going forward from Fiscal Year 2017-18, all Senior Mobility Program applications are individually reviewed and birthdates are verified to meet the age requirement.

The ineligible individual received services for a total cost of \$1,686.00 in FY 2016-17. The City will reimburse the Senior Mobility Program for the applicable Senior Mobility Program funding that was incorrectly used on an ineligible individual by transferring the funds from General Fund into the Senior Transportation Special Revenue Fund.

Procedure #9

We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:

- a. Verified that the Contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings:

Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with Age Well Senior Services, to provide senior transportation services under the Senior Mobility Program. The City provided the latest executed contract with Age Well Senior Services, which was effective through June 30, 2013. The City was unable to provide support that Age Well Senior Services was competitively procured. Additionally, the City did not have a current executed contract for services provided during the fiscal year ended June 30, 2017. Per inspection of the last contract agreement effective through June 30, 2013, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed, however, Age Well's policies and procedures indicate wheelchair accessible vehicles are available.

City's Response:

In May of 2017, the City issued a Request for Proposals to seek qualified companies to provide transportation for the Senior Mobility Program. In June of 2017, the City Council approved an agreement with California Yellow Cab, a qualified transportation operator who proved to be able to meet the requirements of the City and OCTA for the Senior Mobility Program. On July 1, 2017, the City transitioned to California Yellow Cab with a three year agreement for services, with the option for two, one year extensions. The City now has a designated employee (Coordinator) to administer the program including accepting and qualifying Senior Mobility Program applications, payments, OCTA monthly reporting, and they will work directly with California Yellow Cab to oversee the program details and ensure compliance with the guidelines set forth by OCTA.

Sincerely,

Title: Kristine Ridge, City Manager

Title: Stephen Erlandson, Director of Finance

All Ell

Title: Alison Giglio, Director of Parks & Recreation





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF LAGUNA WOODS

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Laguna Woods' (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

<u>Findings:</u> The City's expenditures are tracked in the general ledger by fund and object. The City records its Senior Mobility Program expenditures in its Senior Mobility Fund (410) under Contract – Transportation (object #7460), Contract – Taxi Voucher NEMT (object #7465) and Printing-Senior Mobility (object #6175). During the year ended June 30, 2017, the City reported total program expenditures of \$307,664, which included the City's match. The City reported \$85,415 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds of \$176,915 and OCTA supplemental SMP funds of \$45,334. No exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

<u>Findings:</u> The City received \$248,027 for the past three fiscal years ended June 30, 2015, 2016 and 2017. The City had \$0 remaining fund balance as of June 30, 2017, which agreed to the City's Expenditure Report (Schedule 1, line 24).

The City received \$85,338 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

4. We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

<u>Findings:</u> The City reported \$77 of interest income for the year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

Additionally, we inquired of the City's fare collection methodology. Fares are collected by City Hall through the sale of taxi vouchers. Fare revenues are tracked in the City's general ledger within the Senior Mobility Fund (410), under the Taxi Voucher Sales Object Code (3275). During the year, the City collected \$114,713, which was used as part of the City's match. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2017.

<u>Findings</u>: The total match expenditures amounted to \$176,915 which is approximately 58% of the total expenditures of \$307,664. No exceptions were found as a result of this procedure.

- 6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> Measure M2 Senior Mobility Program expenditures tested totaled \$147,141 representing approximately 48% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the City reviews and validates date of birth documented on registration forms, to ensure participants are 60 years of age or older. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and have described the dollar and percentage tested. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and review of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were identified as a result of this procedure.

- 9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, California Yellow Cab, to provide senior transportation services under the Senior Mobility Program. We verified that California Yellow Cab was selected using a competitive procurement process through inspection of the City's Request for Proposal, bidding documents, and the executed agreement with California Yellow Cab. Per inspection of the contract agreement, we verified that wheelchair accessible vehicles are available and used as needed, with the contract requiring at least five vehicles "which shall be vans equipped with wheelchair lifts that are capable of transporting four or more passengers". The agreement further requires that California Yellow Cab is "required to meet demand without interruption". No exceptions were found as a result of this procedure.

- 10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

<u>Findings:</u> Based on our inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, California Yellow Cab, to provide transportation services under the Senior Mobility Program. We obtained and inspected the insurance coverage for California Yellow Cab, and verified the requirements established in the Cooperative Agreement were met.

The current year proof of insurance for the City and the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

<u>Findings:</u> Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures agreed to supporting documentation, and two of the four reports were submitted to OCLTA within 30 days of month end. Per discussion with City personnel, the City obtained approval for an extension of the July 2016 and November 2016 monthly reports. We verified that the City submitted the reports within the revised and approved deadlines. For the June 2017 summary report, the City made a preliminary submission within 30 days of month end and later submitted a revised report. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Laguna Hills, California

Vavinel Trie, Day; Co, UP

March 12, 2018



VALUE THE difference

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF SAN CLEMENTE

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

<u>Findings:</u> The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its Gas Tax Fund (012) under OCTA Senior Center Transportation (account #861-447723). During the year ended June 30, 2017, the City incurred total program expenditures of \$82,934, which included \$14,590 as the City's General Fund match and \$16,587 match by the City's third party contractor. The M2 funded portion of \$51,757 is different from the M2 Expenditure Report (Schedule 2, line 21 for Project U) of \$66,347, a difference of \$14,590. The City had included portions of the match on the expenditure report as M2 funded expenditures. No other exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

<u>Findings:</u> The City received \$208,402 for the past three fiscal years ended June 30, 2015, 2016 and 2017. No exceptions were found as a result of this procedure. The remaining fund balance was as follows:

Allocation Year	Funding Source	Remaining Fund Balance		
2016/2017	Senior Mobility Program (M2)	\$ 15,735		

We compared the fund balance of \$15,735 to the City's Expenditure Report (Schedule 1, line 24), with no differences.

The City received \$71,704 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

4. We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

<u>Findings:</u> The City reported \$800 of interest income for the year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

Additionally, we inquired of the City personnel regarding fare collection methodology. The City and the third party contractor did not charge or collect fares for the senior transportation program during the year. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditure for the fiscal year ended June 30, 2017.

<u>Findings</u>: The total match expenditures amounted to \$31,177 which is approximately 38% of the total expenditures of \$82,934. No exceptions were found as a result of this procedure.

- 6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> Measure M2 Senior Mobility Program expenditures tested totaled \$61,191 representing approximately 74% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> We inquired of management as to the procedures used to ensure services are provided only to eligible participants. The third party contractor registers senior participants, but relies on date of birth provided at registration on the application.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and have described the dollar and percentage tested. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were identified as a result of this procedure.

- 9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Per inquiry with City management and inspection of related council agenda items, the City competitively procured a contract with Age Well Senior Services (Age Well) to provide senior transportation services under the Senior Mobility Program. The contract originally executed allowed for only a three year initial term and one, two year option term through June 30, 2016. In May 2016, the City prepared an agenda report requesting City Council approval to contract with Age Well for another five years, stating that, "OCTA is giving cities the option to enter into a five-year renewal with their paratransit service providers"; however, the City could not provide documentation to support this statement. Further, OCLTA asserted that no such direction was provided by program staff.

We verified that wheelchair accessible vehicles are available and used as needed, the City included the Project U Program Guidelines as part of the amended contract. No other exceptions were found as a result of this procedure.

- 10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

<u>Findings:</u> Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with Age Well Senior Services to provide transportation services under the Senior Mobility Program. We obtained and inspected the insurance coverage for Age Well Senior Services, and verified the requirements established in the Cooperative Agreement were met.

The current year proof of insurance for the City and the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures agreed to supporting documentation, however the total match reported on the monthly report did not agree to the general ledger detail.

		In-Kind Contribution	City Match
	OCTA	(Included on	(Excluded from
Reporting Month	Contribution	Monthly Reports)	Monthly Report)
August 2016	6,093	1,523	1,216
December 2016	5,695	1,424	1,216
January 2017	5,343	1,336	1,216
April 2017	5,250	1,312	1,216

Through inspection of four of the City's monthly summary reports, all reports were submitted to OCLTA within 30 days of month end. No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Vavinch Trie, Day; Co, Cl.
Laguna Hills, California
March 12 2000

March 12, 2018



March 12, 2018

Board of Directors Orange County Local Transportation Authority and the Taxpayers Oversight Committee of the Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of San Clemente as of and for the fiscal year ended June 30, 2017.

Procedure #2

We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings:

The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its Gas Tax Fund (012) under OCTA Senior Center Transportation (account 012-861-44723). During the year ended June 30, 2017, the City incurred total program expenditures of \$82,934, which included \$14,590 as the City's General Fund match and \$16,587 match by the City's third party contractor. The M2 funded portion of \$51,757 is different from the M2 Expenditure Report (Schedule 2, line 21 for Project U) of \$66,347, a difference of \$14,590. The City had included portions of the match on the expenditure report as M2 funded expenditures. No other exceptions were found as a result of this procedure.

City's Response:

Due to staff turnover, the City will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.

Procedure #7

We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings:

We inquired of management as to the procedures used to ensure services are provided only to eligible participants. The third party contractor registers senior participants, but relies on date of birth provided at registration on the application.

City's Response:

Due to staff turnover, the City will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.

Procedure #9

We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:

- a. Verified that the Contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings:

Per inquiry with City management and inspection of related council agenda items, the City competitively procured a contract with Age Well Senior Services (Age Well) to provide senior transportation services under the Senior Mobility Program. The contract originally executed allowed for only a three year initial term and one, two year option term through June 30, 2016. In May 2016, the City prepared an agenda report requesting City Council approval to contract with Age Well for another five years, stating that, "OCTA is giving cities the option to enter into a five-year renewal with their paratransit service providers"; however, the City could not provide documentation to support this statement. Further, OCTA asserted that no such direction was provided by program staff.

We verified that wheelchair accessible vehicles are available and used as needed, the City included the Project U Program Guidelines as part of the amended contract. No other exceptions were found as a result of this procedure.

City's Response:

The City will conduct a Request for Proposal for current services at the beginning of FY 2018-19 (July 1, 2018.)

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings:

Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures agreed to supporting documentation, however the total match reported on the monthly report did not agree to the general ledger detail.

		In-Kind Contribution	City Match
	OCTA	(Included on	(Excluded from
Reporting Month	Contribution	Monthly Reports)	Monthly Report)
August 2016	6,093	1,523	1,216
December 2016	5,695	1,424	1,216
January 2017	5,343	1,336	1,216
April 2017	5,250	1,312	1,216

Through inspection of four of the City's monthly summary reports, all reports were submitted to OCTA within 30 days of month end. No other exceptions were found as a result of this procedure.

City's Response:

Due to staff turnover, the City will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.

Sincerely,

Title: Assistant City Manager

Title: Deputy Administrative Services Director

Title: Public Works Director





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF SAN JUAN CAPISTRANO

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of San Juan Capistrano's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2017. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2017. We agreed the amount listed as expended on City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

<u>Findings:</u> The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in the General Fund (1), Senior Nutrition Program (Cost Center 632), under Nutrition for Transportation (object #62511). During the year ended June 30, 2017, the City reported total program expenditures of \$66,134, which included the City's match. The City reported \$52,907 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

<u>Findings:</u> The City received \$132,973 for the past three fiscal years ended June 30, 2015, 2016 and 2017. No exceptions were found as a result of this procedure. The remaining fund balance was as follows:

Allocation Year	Funding Source	Remaining Fund Balance		
2016/2017	Senior Mobility Program (M2)	\$ 13,961		

We compared the fund balance of \$13,961 to the City's Expenditure Report (Schedule 1, line 24), identifying a difference of \$130. The Expenditure Report Fund balance did not include \$130 of the interest allocated to the Senior Mobility Program.

The City received \$45,752 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Except for the item described in the above paragraph, no other exceptions were found as a result of this procedure.

4. We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

<u>Findings:</u> The City reported \$130 of interest income for the year ended June 30, 2017 which was not reflected on the City's Expenditure Report (Schedule 2, Line 8 for Project U).

We inquired about the City's fare collection methodology. The City and the third party contractor did not charge or collect fares for the senior transportation program during the year. Except for the item described above, no other exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2017.

<u>Findings</u>: The total match expenditures amounted to \$13,227 which is approximately 20% of total expenditures of \$66,134. No exceptions were found as a result of this procedure.

- 6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> Measure M2 Senior Mobility Program expenditures tested totaled \$48,883 representing approximately 74% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

<u>Findings:</u> We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the City inspects and verifies the date of birth documented on registration forms, to ensure participants are 60 years of age or older. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and have described the dollar and percentage tested. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

<u>Findings:</u> Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2017. No exceptions were found as a result of this procedure.

- 9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

<u>Findings</u>: Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, Age Well Senior Services, to provide senior transportation services under the Senior Mobility Program. We verified that Age Well Senior Services was selected using a competitive procurement process. Per inspection of the contract agreement we verified that wheelchair accessible vehicles are available and used as needed, as described in the contract. No exceptions were found as a result of this procedure.

- 10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

<u>Findings:</u> Based on inspection of the general ledger expenditure detail and discussion with City accounting personnel, the City contracted with one third party service provider, Age Well Senior Services, to provide transportation services under the Senior Mobility Program. We obtained and inspected the insurance coverage for Age Well Senior Services, and verified the requirements established in the Cooperative Agreement were met.

The current year proof of insurance for the City and the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

<u>Findings:</u> Through inspection of a sample of four of the City's monthly summary reports, the City's monthly expenditures did not agree to supporting documentation, as shown below:

Reporting Month	Amount Reported as Monthly Costs		City'	ount per s General edger	Va	riance
December-16	\$	4,312	\$	4,714	\$	(402)
March-17		6,528		6,872		(344)
June-17		2,884		3,428		(544)

In addition, it was noted that only one of four reports were submitted to OCLTA within 30 days of month end, as required. The City submitted the August 2016 report on October 10, 2016, December 2016 report on February 3, 2017 and June 2017 report on August 4, 2017. No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Laguna Hills, California

Vavinely Treis, Day; Co, UP

March 12, 2018

32400 PASEO ADELANTO SAN JUAN CAPISTRANO, CA 92675 (949) 493-1171 (949) 493-1053 FAX www.sanjuancapistrano.org



MEMBERS OF THE CITY COUNCIL

SERGIO FARIAS KERRY K. FERGUSON BRIAN L. MARYOTT PAM PATTERSON, ESQ. DEREK REEVE

March 12, 2018

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of San Juan Capistrano as of and for the fiscal year ended June 30, 2017.

Procedure #3

We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2017, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2017, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings

The City received \$132,973 for the past three fiscal years ended June 30, 2015, 2016 and 2017. No exceptions were found as a result of this procedure. The remaining fund balance was as follows:

Allocation Year	Funding Source	Remaining Fund Balance		
2016/2017	Senior Mobility Program (M2)	\$ 13,961		

We compared the fund balance of \$13,961 to the City's Expenditure Report (Schedule 1, line 24), identifying a difference of \$130. The Expenditure Report Fund balance did not include \$130 of the interest allocated to the Senior Mobility Program.

The City received \$45,752 during the fiscal year ended June 30, 2017 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Except for the item described in the above paragraph, no other exceptions were found as a result of this procedure.

City's Response:

The City's Senior Mobility Program (SMP) revenues and expenditures are recorded in a separate cost center in the City's General Fund. However, interest income was not recorded in a separate cost center.

San Juan Capistrano: Preserving the Past to Enhance the Future



The interest earned for the SMP program was commingled in the City's General Fund interest income. As a result, the \$130 was not recorded in the City's M2 Expenditure Report for the Fiscal Year Ended June 30, 2017. The City began allocating interest on unspent SMP funds in a separate cost center (Cost Center No. 632) in Fiscal Year 2017-18. This interest income will be reported on the City's Annual M2 Expenditure Report that is submitted for the Fiscal Year Ended June 30, 2018.

Procedure #4

We reviewed the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 6 – Project U), explaining any differences.

Findings

The City reported \$130 of interest income for the year ended June 30, 2017 which was not reflected on the City's Expenditure Report (Schedule 2, Line 8 for Project U).

We inquired about the City's fare collection methodology. The City and the third party contractor did not charge or collect fares for the senior transportation program during the year. Except for the item described above, no other exceptions were found as a result of this procedure.

City's Response:

Refer to the response provided for Procedure #3.

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end

Findings

Through inspection of a sample of four of the City's monthly summary reports, we noted the City's monthly expenditures did not agree to supporting documentation, as follows:

Reporting Month	,		Amount per City's General Ledger		Variance	
December-16	\$	4,312	\$	4,714	\$	(402)
March-17		6,528		6,872		(344)
June-17		2,884		3,428		(544)

In addition, it was noted that only one of four reports were submitted to OCLTA within 30 days of month end, as required. The City submitted the August 2016 report on 10/10/2016, December 2016 report on 2/3/2017 and June 2017 report on 8/4/2017. No other exceptions were found as a result of this procedure.

City's Response:

Regarding the timeliness of the monthly reports, the City uses Age Well Senior Services as a subcontractor for the transportation program, and must contribute information to the monthly summary reports before they can be submitted to OCLTA, any delays in receiving the initial reports from Age Well Senior Services results in delaying submittal of final reports to OCLTA. In an effort to prevent this from happening in the future, Age Well Senior Services has been directed to submit all future reports and invoices to the City no later than 21 days from month end. Age Well Senior Services has agreed to this protocol. This new practice will enable the City to review, complete, and submit the monthly summary reports to OCLTA within 30 days of month end, as required.

In addition, starting with the February 2018 monthly report, the Assistant Finance Director will review the amounts included on the monthly report to verify the amounts agree with the City's general ledger.

Sincerely,

Ben, Siegel, City Manager

Ken Al-Imam, Chief Financial Officer

Jacob Green, Assistant City Manager

(overseting the Community Services Department)

Dori Budde, Director of Community Services

(Department overseeing SMP)





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Agreement for Right-of-Way Clearance Services for the Interstate 5

Far North Widening Project in the City of Anaheim

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2115 between the Orange County Transportation Authority and OFRS, Inc., the lowest responsive, responsible bidder, in the amount of \$62,475, for right-of-way clearance services for the Interstate 5 Far North Widening Project in the City of Anaheim.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Right-of-Way Clearance Services for the Interstate 5

Far North Widening Project in the City of Anaheim

Overview

On January 10, 2018, the Orange County Transportation Authority issued an invitation for bids for right-of-way clearance services for the Interstate 5 Far North Widening Project in the City of Anaheim. 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-7-2115 between the Orange County Transportation Authority and OFRS, Inc., the lowest responsive, responsible bidder, in the amount of \$62,475, for right-of-way clearance services for the Interstate 5 Far North Widening Project in the City of Anaheim.

Discussion

As part of the Interstate 5 Far North Widening Project (Project), the California Department of Transportation (Caltrans) acquired a commercial property needed for the Project. Per a cooperative agreement between the Orange County Transportation Authority (OCTA) and Caltrans, the unused remnant parcels of excess land (property) were transferred to OCTA in 2004, which included a commercial building with several tenants.

The property has been identified as a potential site for the proposed Transit Security and Operations Center (TSOC) project, which is now in the environmental clearance and preliminary design stages. Prior to construction of the proposed TSOC, contractor services are required to remove improvements

from the property, which include a single-story building, hazardous materials, and other impediments.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors-approved procedures for public works projects. These procedures, which conform to both state and federal requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process.

Invitation for Bids (IFB) 7-2115 was released on January 10, 2018, through OCTA's CAMM NET system. The project was advertised on January 10 and January 17, 2018, in a newspaper of general circulation. A pre-bid conference and job walk were held on January 18, 2018, and were attended by 14 firms. Four addenda were issued to provide the pre-bid conference registration sheets and handle administrative issues related to the IFB. On February 13, 2018, 11 bids were received and publicly opened.

All bids were reviewed by staff from both OCTA's Contracts Administration and Materials Management and Real Property departments to ensure compliance with the contract terms and conditions, and technical specifications. The list of bidders and bid amounts is presented below:

Firm and Location	Bid Amount
OFRS, Inc. Signal Hill, California	\$62,475
5M Contracting, Inc. Tustin, California	\$85,500
Integrated Demolition and Remediation, Inc. Anaheim, California	\$88,700
Precision Contracting, Inc. Anaheim, California	\$88,800
Pena Grading and Demolition Sun Valley, California	\$93,000
AD Improvements, Inc. La Mirada, California	\$112,000

Agreement for Right-of-Way Clearance Solution Interstate 5 Far North Widening Project in the Communication of the		Page 3
Interior Demolition, Inc. Montrose, California	\$124,200	
Air Clean Environmental, Inc. Los Angeles, California	\$134,127	
Joshua Grading & Excavating, Inc. Phelan, California	\$148,500	
Clauss Construction, Inc. Lakeside, California	\$154,711	
AIR, Inc. Los Angeles, California	\$176,000	

The engineer's estimate for this project was \$100,000. The recommended firm's bid is 37.53 percent below the engineer's estimate and is considered by staff to be fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. As such, staff recommends award to OFRS, Inc., as the lowest responsive, responsible bidder, in the amount of \$62,475, for the Project.

Fiscal Impact

Funding for the Project is included in OCTA's Proposed Fiscal Year 2018-19 Budget, Capital Programs Division, Account 0001-9021-F1110-F01, and is funded with Measure M funds, which now reside under General funds.

Summary

Based on information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-2115 between the Orange County Transportation Authority and OFRS, Inc., the lowest responsive, responsible bidder, in the amount of \$62,475, for right-of-way clearance services for the Interstate 5 Far North Widening Project in the City of Anaheim.

Attachment

A. Project Location Map

Prepared by:

Joe Gallardo Manager, Real Property

(714) 560-5546

Approved by:

James G. Beil, P.E.

Executive Director, Capital Programs

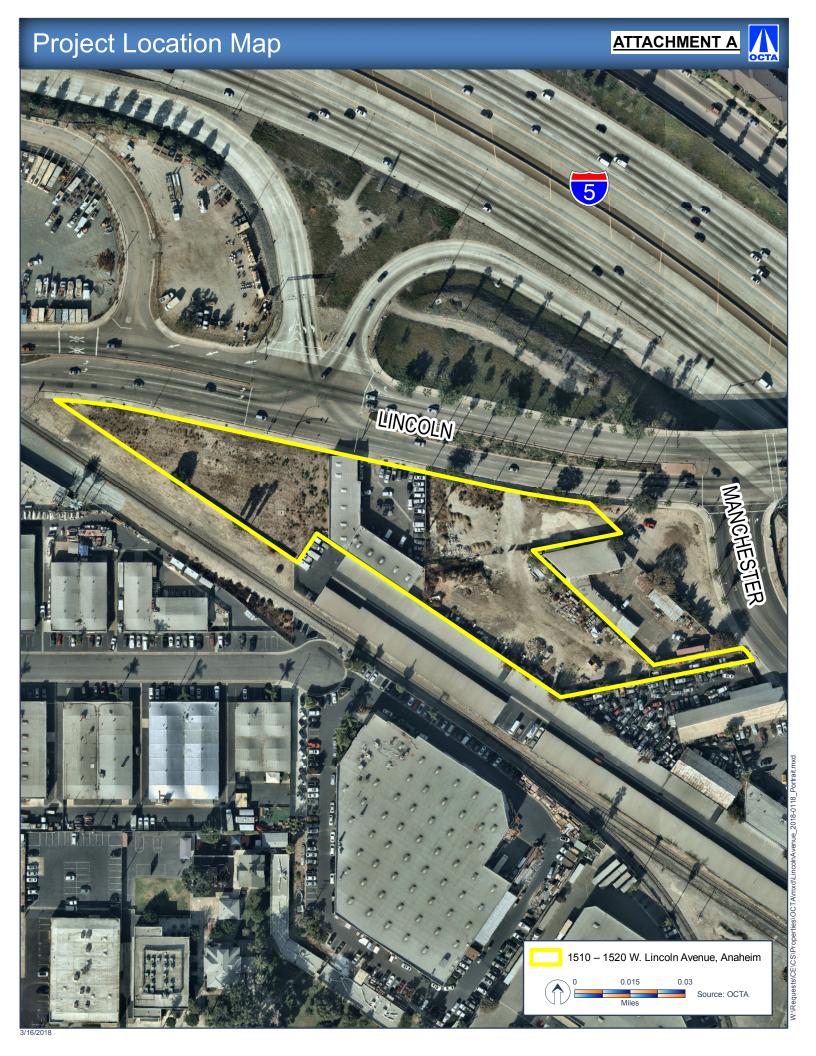
(714) 560-5646

Virginia Abadessa

Director, Contracts Administration and

Materials Management

(714) 560-5623







April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Amendment to Agreement for Additional Design Services for

Interstate 5 Improvement Project from South of Alicia Parkway to

El Toro Road

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1426 between the Orange County Transportation Authority and TRC Solutions, Inc., in the amount of \$949,605, for additional design services for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$8,569,287.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Additional Design Services for

Interstate 5 Improvement Project from South of Alicia Parkway to

El Toro Road

Overview

On August 11, 2014, the Orange County Transportation Authority Board of Directors approved an agreement with TRC Solutions, Inc., for preparation of plans, specifications, and estimates for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road. An amendment to the existing agreement is required for additional design services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1426 between the Orange County Transportation Authority and TRC Solutions, Inc., in the amount of \$949,605, for additional design services for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$8,569,287.

Discussion

The Interstate 5 (I-5) Improvement Project from south of Alicia Parkway to El Toro Road (Project) is part of the Measure M2 (M2) freeway program, Project C, and is being advanced through the Next 10 Delivery Plan approved by the Orange County Transportation Authority (OCTA) Board of Directors (Board) in November 2016.

The Project will add a second high-occupancy vehicle (HOV) lane in each direction on I-5 between Alicia Parkway and El Toro Road, an additional general purpose lane in the southbound direction between north of Alicia Parkway and south of Alicia Parkway, re-establish existing auxiliary lanes, add a new auxiliary lane southbound between the El Toro Road on-ramp

and the Los Alisos Boulevard off-ramp, replace the Los Alisos Boulevard overcrossing, and convert existing HOV lanes to continuous access. Additional project scope has been identified which requires further design effort. An amendment to the Project design contract is recommended, and additional design services will include the following:

The environmental phase for the Project, which was completed in early 2014, identified northbound freeway widening within the City of Lake Forest that would have necessitated replacement of an existing retaining wall and soundwall, and the need to acquire a temporary construction easement (TCE) to perform this work. During the final design phase, the consultant, TRC Solutions, Inc., (TRC) proposed shifting the freeway alignment westerly, therefore eliminating the need for this wall replacement work. Since this realignment was proposed, TRC has worked with OCTA, the California Department of Transportation (Caltrans), and Orange County Parks (OC Parks) to determine the conceptual proposed realignment for Aliso Creek and the bike path.

As realignment of Aliso Creek was not identified in the environmental phase or the existing TRC contract scope, TRC will need to perform additional required geotechnical exploration, surveys, environmental studies, and a supplemental project report. TRC will also coordinate with Caltrans, the City of Laguna Hills, OC Parks, Orange County Flood Control District, State Water Resources Control Board, California Department of Fish and Wildlife, and the United States Army Corps Of Engineers regarding the environmental revalidation related to the Aliso Creek and bike trail realignments. This design and environmental effort was not anticipated in the original contract scope of work.

The Project's environmental document also included replacement of an existing soundwall and the need for another TCE on Bridger Road, also in the City of Lake Forest. TRC proposed shifting the freeway westerly, which eliminates this soundwall replacement work and the need to acquire the TCE. Shifting the freeway westerly requires realignment of Avenida De La Carlota, and TRC has coordinated with the City of Laguna Hills as part of the early stages of design. The design team will continue to work with the City of Laguna Hills, Caltrans, and various utility agencies such as Southern California Edison and Southern California Gas Company to reduce the impacts of the freeway realignment.

A rough order of magnitude (ROM) of cost savings due to the elimination of the need to replace the existing retaining and soundwalls between Aliso Creek and El Toro Road is approximately \$5 million. TRC has also identified another construction cost reduction measure, namely reducing the height of the existing sloped area westerly of the freeway, which in turn reduces the height, type, and cost of the proposed retaining wall between the I-5 freeway and Avenida De La Carlota, which will result in a ROM savings of approximately \$1 million. Recent changes to the Laguna Hills Mall redevelopment have also impacted the design for the realignment of Avenida De La Carlota. The design team will also coordinate with the utility agencies to ensure that all necessary utility potholing, grading, and phasing for utility relocations will be performed and utility agencies' relocation designs align with the Project's design. The design team will obtain updated title reports and make right-of-way (ROW) plan revisions as needed. The roadway and structural design, utility coordination, and ROW efforts required are more than originally anticipated in the contract scope of work.

Finally, updated Caltrans standards and changes to the design of the Project will require the design team to prepare a revised storm water data report.

Procurement Approach

This procurement was handled in accordance with OCTA's Board-approved procedures for architectural and engineering services, which conform to both federal and state laws. The original agreement was executed on March 31, 2015, in the amount of \$7,399,963, and has been previously amended in accordance with Attachment A. It has become necessary to amend the existing agreement to include additional design services to complete the plans, specifications, and estimates.

OCTA staff negotiated the required level of effort with TRC to provide additional design services. OCTA found TRC's price proposal, in the amount of \$949,605, to be fair and reasonable relative to the negotiated level of effort. Proposed Amendment No. 3 to Agreement No. C-4-1426 will increase the total contract value to \$8,569,287.

Fiscal Impact

Funding for the Project was approved in OCTA's Fiscal Year 2017-18 Budget, Capital Programs Division, Account 0017-7519-FC106-06W, and is funded with federal Surface Transportation Block Grant and local M2 funds.

Summary

Staff requests Board of Directors' approval for the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1426 with TRC, Solutions, Inc., in the amount of \$949,605, for additional design services for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road.

Attachment

A. TRC Solutions, Inc., Agreement No. C-4-1426 Fact Sheet

Prepared by:

Niall Barrett, P.E. Program Manager (714) 560-5879 Approved by:

James G. Beil, P.E.

Executive Director, Capital Programs

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Virginia Abadessa

Director, Contracts Administration and

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TRC Solutions, Inc. Agreement No. C-4-1426 Fact Sheet

- 1. August 11, 2014, Agreement No. C-4-1426, \$7,399,963, approved by the Board of Directors (Board).
 - Agreement was executed on March 31, 2015, for preparation of plans, specifications, and estimates (PS&E) for the Interstate 5 Improvement Project from south of Alicia Parkway to El Toro Road.
- 2. August 15, 2016, Amendment No. 1 to Agreement No. C-4-1426, \$0, approved by the Contracts Administration and Materials Management (CAMM) Department.
 - To modify key project personnel and revise the consultant address.
- 3. April 26, 2017, Amendment No. 2 to Agreement No. C-4-1426, \$219,719, approved by the CAMM Department.
 - Additional design services including supplemental fact sheets, right-of-way maps, roadway plans, and bridge and retaining walls plans to comply with new standards.
- 4. April 9, 2018, Amendment No. 3 to Agreement No. C-4-1426, \$949,605, pending Board approval.
 - Provide additional design services to complete the project PS&E.

Total funds committed to TRC Solutions, Inc., after approval of Amendment No. 3 to Agreement No. C-4-1426: \$8,569,287.





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: 2018 State Transportation Improvement Program Update

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendations

- A. Authorize the use of up to \$7.372 million in Surface Transportation Block Grant funds for the Interstate 5 improvements from Interstate 405 to State Route 55.
- B. Authorize an exchange of Measure M2 funds between three segments of the Interstate 5 Improvement Project.
 - Decrease Measure M2 funds by \$11 million for the Interstate 5 improvements from Alicia Parkway to El Toro Road,
 - Increase Measure M2 funds by \$9.1 million for Interstate 5 improvements from State Route 73 to Oso Parkway, and
 - Add Measure M2 funds for \$1.9 million for the Interstate 5 improvements from State Route 73 to El Toro Road Landscaping.
- C. Direct staff to work with the California Transportation Commission to deliver projects based on the existing project schedules.
- 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.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 2018 State Transportation Improvement Program Update

Overview

On March 21, 2018, the California Transportation Commission approved the final 2018 State Transportation Improvement Program, which includes several changes to the Orange County Transportation Authority's State Transportation Improvement Program submittal. An update on the changes is provided.

Recommendations

- A. Authorize the use of up to \$7.372 million in Surface Transportation Block Grant funds for the Interstate 5 improvements from Interstate 405 to State Route 55.
- B. Authorize an exchange of Measure M2 funds between three segments of the Interstate 5 Improvement Project.
 - Decrease Measure M2 funds by \$11 million for the Interstate 5 improvements from Alicia Parkway to El Toro Road,
 - Increase Measure M2 funds by \$9.1 million for Interstate 5 improvements from State Route 73 to Oso Parkway, and
 - Add Measure M2 funds for \$1.9 million for the Interstate 5 improvements from State Route 73 to El Toro Road Landscaping.
- C. Direct staff to work with the California Transportation Commission to deliver projects based on the existing project schedules.
- 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.

Background

The State Transportation Improvement Program (STIP) is a major source of funding for transportation improvements throughout the State of California. Every two years, state transportation revenues are forecasted and programmed for the subsequent five-year period.

The Orange County Transportation Authority (OCTA) is responsible for the development and programming of the five-year STIP, which is submitted to the California Transportation Commission (CTC) for approval and adoption. The CTC provided OCTA with an initial target of \$236.707 million for programming between fiscal years (FY) 2018-19 and FY 2023-24. Based on Board of Directors (Board) action from September 11, 2017, OCTA submitted a request for \$267.873 million in STIP funding to support seven Measure M2 (M2) projects and OCTA planning activities. This request was approximately \$31.166 million over Orange County's STIP share target and included a request to advance funding from future STIP cycles to fulfil OCTA early project delivery goals.

Discussion

The CTC approved the 2018 STIP on March 21, 2018, which decreased OCTA's STIP request from \$267.873 million to \$260.501 million. However, CTC's recommendation exceeded the Orange County programming target of \$236.707 million by \$23.794 million.

Project	2018 STIP (\$ millions)	STIP Year
I-5 Improvements from SR-73 to Oso Parkway (Segment 1)	\$73.735	2018-19
I-5 Improvements from Alicia Parkway to El Toro Road (Segment 3)	\$69.911	2022-23
I-5 Improvements from SR-73 to El Toro Road Landscaping	\$6.000	2022-23
I-5 Improvements from I-405 to SR-55	\$12.628	2022-23
SR-55 OC Central Corridor Improvements from I-405 to I-5	\$80.000	2021-22
SR-57 Truck Climbing Lane Phase 1 – Lambert Road Interchange Improvements	\$9.000	2018-19
SR-57 Truck Climbing Lane Phase 2 – Lambert Road to the Los Angeles County Line	\$4.000	2020-21
Planning, Programming, and Monitoring Activities	\$5.177	Varies
Total:	\$260.501	

I-5 – Interstate 5

SR-73 – State Route 73

I-405 – Interstate 405

SR-55 - State Route 55

SR-57 – State Route 57

This is the first STIP cycle in more than ten years which allowed advancement of future STIP cycle funds to be used for preconstruction activities, enabled due to passage of SB 1 (Chapter 5, Statutes of 2017).

OCTA's request for STIP funding was based on project delivery time lines that exceeded CTC funding targets derived from funding availability. With respect to the I-5 Widening Project between SR-73 and EI Toro Road, OCTA was successful in receiving most of the funding requested for the earliest project phase, the I-5 Improvement Project from SR-73 to Oso Parkway (Segment 1), but had to reduce STIP funding by \$11 million to stay within the CTC funding limits in the early years. This adjustment requires a transfer of local funds from Alicia Parkway to EI Toro Road (Segment 3) to Segment 1 and programming a portion of the STIP funds for the future landscaping project which occurs later.

STIP funding for the I-5 Improvement Project from Alicia Parkway to El Toro Road (Segment 3), and the SR-55 Orange County Central Corridor improvements from I-405 to I-5, is being provided in the last two years of the STIP, which is later than requested. Staff will work with CTC to find methods to keep these projects on schedule, including use of a statuary process where OCTA implements the project with local funds and is reimbursed by the state.

As part of the 2018 STIP process, OCTA pursued funding for the design phase of the I-5 Project from I-405 to SR-55. This is an M2 project that to date has been funded through the environmental phase as part of the Next 10 Plan. However, given congestion considerations and project readiness status, staff nominated this project to receive design funding since it aligned with STIP funding availability windows and positioned OCTA to avoid future cost escalation exposures. This project is nearing final approval, with final environmental clearance expected in November 2018. OCTA requested \$20 million for the design phase work and received \$12.628 million. Staff is recommending the use of \$7.372 million in federal Surface Transportation Block Grant Program funds. This is consistent with the Board-adopted Capital Programming Policies which directs these funds to support Next 10 projects.

Lastly, OCTA was also successful in advancing the funding schedule for the SR-57 Truck Climbing Lane Phase 1 – Lambert Road Interchange Project. This advancement was critical to better position this project for consideration of SB 1, Trade Corridor Enhancement Program funds.

Funding and programming adjustments, along with other minor adjustments, are detailed in Attachment A. The CTC project listing, including total funding by project, is listed in Attachment B, and the initial OCTA STIP submittal is provided in Attachment C. Project descriptions are provided in Attachment D.

A Capital Funding Program detailing the changes to projects is provided as Attachment E.

Summary

The CTC approved changes to OCTA's 2018 STIP, which results in the need for additional funding for the I-5 improvements from I-405 to SR-55, and the exchange of M2 funds between project segments for the I-5 Widening Project, between SR-73 and El Toro Road.

Attachments

- A. Individual Changes to Projects Submitted for the 2018 STIP
- B. 2018 STIP CTC Approved Projects
- C. 2018 STIP OCTA Submitted Projects
- D. 2018 State Transportation Improvement Program, Project Descriptions
- E. Capital Funding Program Report

Prepared by:

Ben Ku

Section Manager, Formula Funding Programs

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Approved by:

Kia Mortazavi Executive Director, Planning

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ATTACHMENT A

Individual Changes to Projects Submitted for the 2018 STIP

Approved 2018 STIP	STIP Requested (\$million)	STIP Approved (\$million)	Change
I-5 Improvements from SR-73 to Oso Parkway (Segment 1)	\$90.735	\$73.735	Decrease STIP request by \$17 million. \$6 million was programmed for landscaping and the remaining \$11 million was programmed for the I-5 improvements from Alicia Parkway to El Toro Road.
I-5 Improvements from Alicia Parkway to El Toro Road (Segment 3)	\$58.911	\$69.911	Increase STIP request by \$11 million from the I-5 Improvements from SR-73 to Oso Parkway. Funding delayed from FY 2019-20 to FY 2022-23.
I-5 Improvements from SR-73 to El Toro Road (Replacement Planting/Landscaping)	\$0	\$6	New project. \$6 million in STIP from I-5 improvements from SR-73 to Oso Parkway and \$1.9 million in Measure M2 from I-5 improvements from Alicia Parkway to El Toro Road.
I-5 Improvements Project from I-405 to SR-55	\$20	\$12.628	Decrease STIP request by \$7.372 million due to STIP financial constraints.
SR-55 Orange County Central Corridor Improvement Project from I-405 to I-5	\$80	\$80	Funding delayed from FY 2020-21 to FY 2021-22.
SR-57 Truck Climbing Lane Phase I – Lambert Road Interchange Improvements	\$9	\$9	Funding was programmed for construction and advanced from FY 2019-20 to FY 18-19.
SR-57 Truck Climbing Lane Phase II – Lambert Road to County Line	\$4.050	\$4.050	Funding advanced from FY 2022-23 to FY 2020-21.
Planning, Programming and Monitoring	\$5.177	\$5.177	No change.
TOTAL	\$267.873	\$260.501	

I-5 Improvements SR-73 to El Toro Road (Replacement Planting/Landscaping)

This project is being separated from the I-5 improvements from SR-73 to Oso Parkway, and the I-5 improvements from Alicia Parkway to El Toro Road projects, which are part of Project C in Next 10. The funding for this project was previously included as part of the I-5 improvements from SR-73 to Oso Parkway, and I-5 improvements from Alicia Parkway to El Toro Road, and the replacement planting/landscaping is being separated from the two projects.

Individual Changes to Projects Submitted for the 2018 STIP

I-5 Improvements from I-405 to SR-55

The I-5 Improvement Project from I-405 to SR-55 is Project B of Next 10, and was submitted for APDE, which is an advancement of future STIP funds and independent of the STIP funding amounts. The APDE has a separate financial constraint limit which required OCTA's project to be reduced from \$20 million to \$12.628 million in STIP. OCTA staff is requesting approval of an additional \$7.372 million in STBG funding to account for the reduction in STIP funding. This usage of STBG funding is consistent with the Capital Programming Policies update that was approved by the OCTA Board of Directors in May 2017 that prioritized federal funds for Next 10 projects.

SR-55 Orange County Central Corridor Improvement Project from I-405 to I-5 and I-5 Improvements from Alicia Parkway to El Toro Road

These two projects have been delayed from our submittal by the CTC. OCTA staff will work with CTC staff and the California Department of Transportation to seek out methods to maintain the existing schedule. Potential options include a procedure detailed in AB 3090 (Chapter 1243, Statutes of 1992), which would allow OCTA to enter into either one of two types of arrangements under which a local agency pays for the delivery of a STIP project with its own funds in advance of the year in which the project is programmed. These arrangements are typically referred to as an "AB 3090 reimbursement" or an "AB 3090 replacement project". Additionally, staff will be in contact with CTC staff regarding potential STIP capacity that may allow for a STIP advancement.

Acronyms

STIP – State Transportation Improvement Program
I-5 – Interstate 5
SR-73 – State Route 73
FY – Fiscal year
I-405 – Interstate 405
SR-55 – State Route 55
SR-57 – State Route 57
APDE – Advance Project Development Element
OCTA – Orange County Transportation Authority
STBG – Surface Transportation Block Grant
CTC – California Transportation Commission

2018 STIP CTC Approved Projects

	STIP Funding							Other F	unding			
2018 STIP Approved (In Thousands)	2018-19	2019-20	2020-21	2021-22	2022-23	Total STIP	STBG/ CMAQ	STBG/ CMAQ Pending Approval	M2	Other ¹	Total Project Cost	
I-5 Improvements from SR-73 to Oso Parkway (Segment 1)	73,735					73,735	28,167		68,372	18,242	188,516	
I-5 Improvements from Alicia Parkway to El Toro Road (Segment 3)					69,911	69,911	49,897		44,715		164,523	
I-5 Improvements from SR-73 to El Toro Road (replacement planting/landscaping)					6,000	6,000			1,900		7,900	
SR-55 Orange County Central Corridor Improvement from I-405 to I-5				80,000		80,000	103,805		110,327	116,800	410,932	
SR-57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvements	9,000					9,000			6,856	84,144	100,000	
РРМ	1,481			1,848	1,848	5,177					5,177	
STIP Subtotal	84,216			81,848	77,759	243,823	181,869		232,170	219,186	877,048	
APDE I-5 Improvements from I-405 to SR-55 APDE					12,628	12,628	8,000	7,372	5,000		33,000	
SR-57 Truck Climbing Lane Phase II - Lambert Road to County Line			4,050			4,050			250		4,300	
Totals	84,216	-	4,050	81,848	90,387	260,501	189,869	7,372	237,420	219,186	914,348	

^{1.} Other funds include \$18.242 million in Local Partnership Program, \$46.8 million in State Highway Operations and Protection Program, \$70 million in Solutions for Congested Corridors Program, \$0.924 million in Demonstration funds, \$10.720 in Local City funds, \$65.705 million in Trade Corridors Enhancement Program, and \$6.795 million in Infrastructure for Rebuilding America funds.

Acronyms

STIP - State Transportation Improvement Program

CTC - California Transportation Commission

STBG - Surface Transportation Block Grant Program

CMAQ - Congestion Mitigation and Air Quality

M2 - Measure M2

I-5 - Interstate 5

SR-73 - State Route 73

SR-55 - State Route 55

I-405 - Interstate 405

SR-57 - State Route 57

PPM - Planning, programming, and monitoring

APDE - Advance Project Development Element

2018 STIP OCTA Submitted Projects

			STIP F	unding			(Other Fundin	g	
2018 STIP Submitted							STBG/	4	•	Total Project
(In Thousands)	2018-19	2019-20	2020-21	2021-22	2022-23	Total STIP	CMAQ	M2 ¹	Other ²	Cost
I-5 Improvements from SR-73 to Oso										
Parkway (Segment 1) ^{3,4}	90,735					90,735	28,167	53,372	18,242	190,516
SD 55 Oranga Caunty Cantral Carridge										
SR-55 Orange County Central Corridor Improvements from I-405 to I-5 ⁵			80,000			80,000	103,805	110,327	116,800	410,932
improvements from 1-405 to 1-5			00,000			00,000	100,000	110,521	110,000	410,932
I-5 Improvements from Alicia Parkway to El										
Toro Road (Segment 3) ⁵		58,911				58,911	49,897	57,715		166,523
SR-57 Truck Climbing Lane Phase I -										
Lambert Road Interchange Improvements ³		9,000				9,000		6,500	29,650	45,150
Zumbort redu meronango improvemente		0,000				3,000		0,000	20,000	10,100
PPM ³	1,481			1,848	1,848	5,177				5,177
STIP Subtotal	92,216	67,911	80,000	1,848	1,848	243,823	181,869	227,914	164,692	818,298
APDE										
I-5 Improvements from I-405 to SR-55 ⁵					20,000	20,000	8,000	5,000		33,000
·					23,000	23,000	0,000	0,000		00,000
APDE										
SR-57 Truck Climbing Lane ⁵					4,050	4,050		250		4,300
Totals	92,216	67,911	80,000	1,848	25,898	267,873	189,869	233,164	164,692	855,598

- 1. M2 for Lambert interchange is approved Comprehensive Transportation Funding Program funding. All other M2 funds are freeway program funds.
- 2. Other funds include \$18.242 million in Local Partnership Program, \$46.8 million in State Highway Operations and Protection Program, \$75 million in Solutions for Congested Corridors Program, \$0.7 million in Demonstration Funds, \$8.95 in Local City Funds and \$20 million in Trade Corridors Enhancement Program.
- 3. Carried over or partially carried over from 2016 STIP.
- 4. \$12.705 million STIP increase.
- 5. New 2018 STIP project.

Acronyms

STIP - State Transportation Improvement Program OCTA - Orange County Transportation Authority STBG - Surface Transportation Block Grant Program CMAQ - Congestion Mitigation and Air Quality

M2 - Measure M2

I-5 - Interstate 5

SR-73 - State Route 73 SR-55 - State Route 55 I-405 - Interstate 405

SR-57 - State Route 57 PPM - Planning, Programming, and Monitoring APDE - Advance Project Development Element

2018 State Transportation Improvement Program Project Descriptions

Interstate 5 (I-5) Improvements from State Route 73 (SR-73) to Oso Parkway (Segment 1)

I-5 Improvements will add one general purpose lane in each direction from SR-73 to Oso Parkway, provide operational improvements, and reconstruct the interchange at Avery Parkway. This is Project C in the Next 10 Plan.

Under current traffic conditions, substantial congestion is experienced, and this project will help alleviate congestion and provide air quality benefits.

I-5 Improvements from Alicia Parkway to El Toro Road (Segment 3)

The project will add one general purpose lane on the I-5 in each direction between Alicia Parkway and El Toro Road (approximately 1.7 miles), extend the second high-occupancy vehicle (HOV) lane in both directions, and add auxiliary lanes where needed. The additional lane will increase capacity and improve mainline congestion on I-5 from Alicia Parkway and El Toro Road. This is Project C in the Next 10 Plan.

Under current traffic conditions, substantial congestion is experienced, and this project will help alleviate congestion and provide air quality benefits.

<u>I-5 Improvements from SR-73 to El Toro Road (Replacement Planting/Landscaping) – New Project</u>

This project will replace planting and install landscaping associated with the I-5 improvements from SR-73 to El Toro Road. This is part of Project C in Next 10.

<u>I-5 Improvements from Interstate 405 (I-405) to State Route (SR-55) – Advance Project Development Element</u>

This project will add one general purpose lane in both directions of the I-5 from the I-405 to SR-55. Additional features of the project include improvements to various interchanges. Auxiliary lanes will be added in some segments and re-established in others within the project limits. The overall project length is approximately nine miles.

Currently, this segment of the I-5 corridor is experiencing congestion and long traffic delays due to demand exceeding capacity, primarily resulting from local, regional, and interregional traffic demand. In addition, forecasted local and regional traffic demand is expected to increase by over 10,000 vehicles per day by the year 2040. This is Project B in the Next 10 Plan.

2018 State Transportation Improvement Program Project Descriptions

SR-55 Orange County Central Corridor Improvement Project I-405 to I-5

This project will add new HOV, general purpose, and auxiliary lanes on SR-55 between the I-405 and the I-5 connectors to increase freeway capacity and reduce congestion in central Orange County areas. This project is located in the cities of Irvine, Santa Ana, and Tustin.

Future traffic demand is anticipated to increase traffic volumes to levels which will increase traffic congestion, increase travel delays, and reduce travel speeds. It is anticipated that without additional major capital improvements, the level of service for the majority of the study area in the northbound and southbound directions would be unacceptable during AM and PM peak periods. This is Project F in the Next 10 Plan.

<u>State Route 57 (SR-57) Truck Climbing Lane Phase I – Lambert Road Interchange</u> Improvements

Project work consists of reconfiguration of the northbound ramps, including construction of a loop on-ramp at the southeast quadrant, realignment of the southbound ramps, as well as adding a fourth approach lane along the southbound off-ramp, and widen the south side of Lambert Road to provide dual exclusive eastbound right turn lanes into the southbound on-ramp.

The SR-57 Lambert Road interchange is presently characterized by poor operational performance during peak traffic periods, and operational performance will further deteriorate with increase in anticipated future traffic volumes. The purpose of this project is to provide additional capacity and improve overall operational performance of the interchange. The proposed alternates should help mitigate the current congestion and better accommodate anticipated future traffic increases, thereby minimizing delays and potential safety hazards. Additionally, the corridor experiences a high amount of truck traffic, and these improvements will help improve truck travel speeds.

<u>SR-57 Truck Climbing Lane Phase II – Lambert Road to County Line. Advance Project Development Element</u>

State Transportation Improvement Program funding is proposed for the project approval and environmental document phase of this project that will construct a truck climbing lane on the SR-57 from the Lambert Road undercrossing to just north of the Orange County/Los Angeles County line. A climbing lane would improve truck traffic travel speeds and would increase the throughput of the northbound SR-57. This project is Project G in the Next 10 Plan.

2018 State Transportation Improvement Program Project Descriptions

Planning, Programming, and Monitoring (PPM)

Orange County is impacted by severe congestion on many regional and interregional facilities. Examination of the problem and potential solutions are necessary for the future construction of improvements. PPM funds will be used to develop project study reports and provide environmental clearance for projects, thus creating a shelf of projects for the future.

The PPM will support consultants and staff in developing the Long-Range Transportation Plan, multimodal strategies to address the short and long-term transportation needs for Orange County and regional connections, and to guide the expenditure of federal, state, and local transportation funds.



Pending Board of Directors (Board) Approval - April 9, 2018

State Highway Project

			State	Funds	Federal	Funds	Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
I-5 from SR-55 to SR-57, Add 1 HOV lane each direction	А	\$39,052			\$33,743			\$5,309	
I-5 (I-405 to SR-55) capacity enhancement 1	В	\$33,000	\$12,628		\$15,372			\$5,000	
I-5 from SR-73 to El Toro Road Landscaping/Replacement Planting ²	С	\$7,900	\$6,000					\$1,900	
I-5 HOV lane each direction s/o PCH to San Juan Creek Rd.	С	\$70,658		\$20,789	\$11,796			\$38,073	
I-5 HOV lanes: s/o Avenida Pico to s/o Vista Hermosa	С	\$90,441	\$43,735		\$31,741	\$1,600		\$13,365	
I-5 HOV, HOV lanes from s/o Av. Vista Hermosa to s/o PCH	С	\$71,100	\$46,779		\$13,472			\$10,849	
I-5 Widening (Alicia to El Toro) Seg 3 ³	С	\$164,523	\$69,911		\$49,897			\$44,715	
I-5 Widening (Oso to Alicia) Segment 2	С	\$196,167			\$47,631			\$148,536	
I-5 Widening (SR-73 to Oso) Segment 1 ⁴	С	\$188,516	\$91,977		\$28,167			\$68,372	
I-5 at Los Alisos / El Toro: add ramps	D	\$4,400			\$4,400				
SR-55 (I-5 to SR-91)	F	\$5,000			\$5,000				
SR-55 OC Central Corridor Improvements from I-405 to I-5 ⁵	F	\$410,932	\$150,000		\$103,805	\$46,800		\$110,327	
SR-57 Orangewood to Katella	G	\$2,500			\$2,500				
SR-57 Truck Climbing Aux Lane: Lambert -LA County Line ⁶	G	\$4,300	\$4,050					\$250	
SR-91 WB connect existing auxiliary lanes, I-5 to SR-57	Н	\$62,977		\$27,227				\$35,750	
SR-91 (SR-57 to SR-55) Operational Improvements	I	\$9,000			\$7,000			\$2,000	
SR-91 WB (SR-55 - Tustin Interchange) Improvements	I	\$46,270	\$18,270	\$14,000				\$14,000	
I-405 from SR-73 to I-605 Improvements	К	\$1,900,000	\$82,000	\$7,771	\$35,000	\$10,648		\$1,135,651	\$628,930
I-405 (I-5 to SR-55)	L	\$8,000			\$8,000				
I-405 s/b Aux. Lane - University to Sand Canyon and Sand Canyon to SR-133	L	\$2,328	\$2,328						
I-605/ Katella Interchange	М	\$1,200						\$1,200	
SR-57 n/b widening, Katella Avenue to Lincoln Avenue	M1/G	\$34,428		\$24,127				\$10,301	
241/91 Express Lanes (HOT) Connector		\$183,557							\$183,557
SR-74 widening, Calle Entradero-City/County line		\$42,694	\$5,513						\$37,181
SR-74 widening, City/County line to Antonio Parkway		\$40,905	\$10,000		\$5,285				\$25,620
State Highway Project Totals		\$3,619,848	\$543,191	\$93,914	\$402,809	\$59,048		\$1,645,598	\$875,288

State Funding Total \$637,105 Federal Funding Total \$461,857 Local Funding Total \$2,520,886

Total Funding (000's) \$3,619,848

State Hi	ghway	Project	Comp	leted
June 1	D:::		COLLIP	·····

			State	Funds	Federal Funds		Local Funds		1
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
I-5/Route 74 Interchange Landscaping/Replacement Planting	D	\$1,440	\$688			\$752			
I-5/SR-74 Interchange Improvements	D	\$80,300	\$48,683	\$24,109			\$2,500		\$5,008
SR- 57 n/b widening, Katella Avenue to Lincoln Avenue - Landscaping	G	\$4,650		\$4,650					
SR- 57 N/B widening, SR-91 to Yorba Linda Boulevard- Landscaping	G	\$1,070						\$1,070	



State Highway Project Completed												
			State	Funds	Federa	Funds		Local Funds				
Project Title	M Code		STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1		Local - Other			
SR-57 n/b widening, Yorba Linda to Lambert Road landscaping	G	\$2,688						\$2,688				
SR-91 eastbound widening, SR-241 to SR-71	J	\$57,611				\$47,888			\$9,723			
SR-91 w/b Rte 91/55 - e/o Weir Replacement Planting	J	\$2,898	\$2,898									
SR-91 WB connecting existing auxiliary lanes, I-5 to SR-57- Landscaping	J	\$2,290						\$2,290				
SR-91 Widening, SR-55 to Gypsum Canyon (Weir/SR-241)	J	\$77,510	\$59,573	\$17,937								
SR-57 N/B widening, SR-91 to Yorba Linda Boulevard	M1/G	\$50,659		\$40,925				\$9,734				
SR-57 N/B widening, Yorba Linda to Lambert Road	M1/G	\$52,709		\$41,250				\$11,459				
I-405/SR-22/I-605 HOV Connector - Landscaping		\$4,600						\$4,600				
I-5 at Jamboree off ramp and auxilary lane		\$8,485	\$8,485									
I-5 S/B AT OSO PKWY EXIT LANE & INTRCHNGE IMPROV		\$22,872	\$22,773						\$99			
I-5 San Clemente Avenida Vaquero Soundwall		\$2,754	\$2,754									
I-5 soundwall, at El Camino Real		\$4,995	\$4,995									
I-5, Camino Capistrano Interchange Improvements		\$19,151	\$19,151									
SR-55 Continuous Access HOV restriping environmental		\$1,500							\$1,500			
SR-55 southbound aux. lanes, Dyer Rd to MacArthur (env)		\$2,397	\$2,397									
SR-90 Imperial Hwy Enhancement & Mitigation Planting		\$1,669	\$1,669									
HOV Connectors from I-405 and I-605	M1	\$173,091		\$135,430	\$14,787		\$16,200		\$6,674			
HOV Connectors from SR-22 to I-405	M1	\$115,878			\$64,375	\$49,625	\$1,878					
I-5at Gene Autry Way (west) - HOV Drop ramps	M1	\$68,199			\$35,644	\$9,883	\$8,601		\$14,071			
State Highway Project Totals		\$759,416	\$174,066	\$264,301	\$114,806	\$108,148	\$29,179	\$31,841	\$37,075			

State Funding Total	\$438,367
Federal Funding Total	\$222,954
Local Funding Total	\$98,095
Total Funding (000's)	\$759,416

Board Action:

- 1. STIP funds decreased from \$20 million to \$12.628 million. STBG increased from \$8 million to \$15.372 million.
- 2. New 2018 STIP Project.
- 3. STIP funds increased from \$58.911 million to \$69.111 million. M2 decreased from \$57.715 million to \$44.715 million.
- 4. STIP funds decreased from \$90.735 million to \$73.735 million. M2 funds increased from \$54.448 million to \$69.448 million.
- 5. Updated M2 and Other funds to match Solutions for Congested Corridors submittal.
- 6. No Change.



Pending Board Approval - April 9, 2018

Local Road Project

			State	Funds	Federal	Funds	Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
State-Local Partnership Program (SLPP) Formula Grant Call	M1/Q	\$54,445		\$24,945			\$1,280	\$27,249	\$971
Kraemer Boulevard Grade Separation	0	\$63,462	\$1,460	\$15,513	\$22,044			\$22,613	\$1,832
Lakeview Avenue Grade Separation	0	\$107,402		\$26,924	\$35,411	\$9,709		\$24,783	\$10,575
Measure M2 Project O Regional Capacity Program Call for Projects	0	\$254,629		\$22,979				\$231,650	
Orangethorpe Avenue Grade Separation	0	\$108,600		\$34,520	\$38,240	\$18,600		\$14,543	\$2,697
Placentia Grade Separation along SS of Orangethorpe	0	\$64,444	\$6,040	\$27,346				\$27,356	\$3,702
Raymond Avenue Grade Separation	0	\$124,833		\$90,767				\$26,350	\$7,716
SR-57 Truck Climbing Lane Phase I- Lambert Road Interchange Improvement 7	0	\$100,000	\$74,705			\$7,719		\$6,856	\$10,720
State College Grade Separation	0	\$96,969		\$34,042	\$27,376	\$13,290		\$11,243	\$11,018
Tustin Ave/Rose Drive Grade Separation	0	\$98,254		\$25,473	\$53,376			\$17,642	\$1,763
M2 Project P Regional Signal Synchronization Program Call	P	\$70,471						\$70,471	
M2 Project Q Fair Share Program (FY 16-17 through FY 21-22)	Q	\$341,947						\$341,947	
Measure M2 Project X Environmental Clean Up	Х	\$43,214						\$43,214	
Active Transportation Program - Regional Call		\$47,507	\$92		\$696	\$41,329			\$5,390
ARRA Transportation Enhancements		\$6,833				\$4,049	\$500		\$2,284
Arterial Pavement Management Program		\$50,888			\$19,930				\$30,958
Atlanta Avenue Widening		\$4,160			\$2,278				\$1,882
Bicycle Corridor Improvement Program		\$34,093			\$28,427				\$5,666
Bristol Street Widening		\$44,750							\$44,750
Local Agency American Reinvestment and Recovery Act of 2009 Rehab Projects		\$32,369				\$32,369			
M1 Combined Transportation Funding Program (CTFP)		\$34,000					\$34,000		
SCAG Sustainability Planning Grants		\$720				\$671			\$49
Transportation Enhancement Activities		\$22,172				\$15,628			\$6,544
Del Obispo Widening	M1	\$6,419			\$3,740				\$2,679
Local Road Project Totals		\$1,812,581	\$82,297	\$302,509	\$231,518	\$143,364	\$35,780	\$865,917	\$151,196

Local Road Project Totals

State Funding Total\$384,806Federal Funding Total\$374,882Local Funding Total\$1,052,893

Total Funding (000's) \$1,812,581

Local Road Project Completed

			State Funds		Federal Funds		Local Funds		
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other
Grand Avenue Widening, 1st Street to 4th Street	0	\$12,537			\$6,708				\$5,829
M2 Fair Share State-Local Partnership Grant Program	Q	\$7,032		\$3,516				\$3,516	
Antonio Parkway Widening		\$32,553			\$15,499				\$17,054
Firestone Boulevard Widening at Artesia Boulevard		\$2,468			\$2,059				\$409
I-5 at La Paz Interchange Improvements	M1	\$8,942			\$2,800		\$1,792		\$4,350



Local Road Project Completed											
			State	Funds	Federal Funds		Local Funds				
Project Title	M Code	Total Funding	STIP/Other	State Bonds	RSTP/CMAQ	Other Fed.	M1	M2	Local - Other		
Imperial Highway Smart Streets	M1	\$1,900		\$200			\$200		\$1,500		
Traffic Light Synchronization Program (TLSP), County Wide - Proposition 1B	M1	\$8,000		\$4,000			\$4,000				
Local Road Project Totals		\$73,432		\$7,716	\$27,066		\$5,992	\$3,516	\$29,142		

Local Road Project Totals					
State Funding Total	\$7,716				
Federal Funding Total	\$27,066				
Local Funding Total	\$38,650				
Total Funding (000's)	\$73,432				

Board Actions:

7. Updated to match Trade Corridor Enhancement Program submittal.

Acronyms:

Board - Board of Directors M Code - Project Codes in Measure M1 and M2 STIP - State Transportation Improvement Program I-605 - Interstate 605

RSTP - Regional Surface Transportation Program

CMAQ - Congestion Mitigation and Air Quality

Improvement Program M1 - Measure M1 M2 - Measure M2 I-5 - Interstate 5

SR-55 - State Route 55

SR-57 - State Route 57 HOV - High-Occupancy Vehicle

<u>I-405 - Interstate 405</u> SR-73 - State Route 73

S/O - South of

PCH - Pacific Coast Highway

Seg - Segment SR-91 - State Route 91

Aux - Auxiliary

LA - Los Angeles W/B - Westbound

S/B - Southbound

SR-133 - State Route 133

N/B - Northbound

HOT - High-Occupancy Toll SR-241 - State Route 241 SR-74 - State Route 74 SR-71 - State Route 71

E/O - East of

SR-22 - State Route 22 SR-90 - State Route 90

SS - South Side FY - Fiscal Year

ARRA - American Recovery and

Reinvestment Act

SCAG - Southern California Association of

Governments





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Measure M2 Quarterly Progress Report for the Period of October

2017 Through December 2017

Executive Committee Meeting of April 2, 2018

Present: Chairwoman Bartlett, Vice Chairman Shaw, and Directors Do,

M. Murphy, Murray, and Nelson

Absent: Director Hennessey

Committee Vote

Following the discussion, no action was taken on this receive and file as on information item.

Staff Recommendation

Receive and file as an information item.



April 2, 2018

To:

From:

Darrell E. Johnson, Chief Executive Officer

Measure M2 Quarterly Coctober 2017 Measure M2 Quarterly Progress Report for the Period of Subject:

Overview

Staff has prepared a Measure M2 quarterly progress report for the period of October 2017 through December 2017, for review by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs, and will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. The Plan provides a 30-year revenue stream for a broad range of transportation and environmental improvements, as well as a governing ordinance, which defines all the requirements for implementing the Plan. Ordinance No. 3 designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan, but adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the ordinance. Ordinance No. 3 requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the OCTA Board of Directors (Board). On September 25, 2017, the Board approved rebranding M2 externally to OC Go to promote OCTA's Measure M awareness and public perception, as well as to avoid confusion with the recently approved, similarly named Los Angeles Metropolitan Transportation Authority's "Measure M." M2 progress is summarized in these quarterly progress reports, which are posted online for public review.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of October 1, 2017 through December 31, 2017 (Attachment A).

The quarterly report is designed to be easy to navigate and public friendly, reflecting OCTA's Strategic Plan transparency goals. The report includes budget and schedule information provided from the Capital Action Plan, and Local Fair Share and Senior Mobility Program payments made to cities during the quarter, as well as total distributions from M2 inception through December 2017.

Additionally, Attachment A includes a summary of the Program Management Office activities that have taken place during the quarter. Two areas in particular are highlighted below.

Next 10 Delivery Plan

On November 13, 2017, the Board approved the updated Next 10 Plan Delivery (Next 10), providing guidance to staff on delivery of M2 projects and programs between 2017 and 2026. The Next 10 was updated to address and incorporate the 2017 sales tax revenue forecast of \$13.5 billion.

Future Outlook

A Market Conditions Forecast and Risk Analysis was conducted to analyze current resource demands and provide information on the impact on OCTA's delivery of Next 10. The results of the analysis were presented to the Board in September 2017, and identified a strong potential that during the Next 10 delivery years OCTA will experience an increasing cost environment. This, coupled with a tight funding situation, could present the potential for significant challenges in the delivery of M2 and the Next 10.

Given this analysis, the Board directed staff to continue to work with the consultant to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax

revenue forecast. Attachment B identifies the scope of the monitoring and tracking effort to be conducted. A summary of the monitoring reports will be presented to the Board bi-annually and, if noteworthy, more frequent updates will be provided through these M2 quarterly progress reports.

Additionally, final sales tax receipts through the second quarter of fiscal year 2017-18 (December 31, 2017) reflected a growth in sales tax revenue over the same period of the prior fiscal year. The growth is consistent with the budgeted sales tax growth rate of 3.3 percent and may be an indication that the sales tax revenue forecast we are currently using is on target. As always, staff continues to closely monitor sales tax receipts and will keep the Board informed.

Progress Update

The following highlights the M2 accomplishments that occurred during the first quarter:

- The OCTA Board approved the consultant selection for construction management services for Interstate 5 (I-5), between State Route 55 (SR-55) to State Route 57, on November 13, 2017. The Board also increased the construction capital and support funds due to anticipated higher construction cost estimates and professional labor rates. (Project A)
- During the quarter, the Board approved an amendment for additional design services on the I-5, between State Route 73 to Oso Parkway, to comply with updates to the California Department of Transportation (Caltrans) Highway Design Manual. Construction is anticipated to begin in January 2019. (Project C and Project D)
- The final environmental document and project report on SR-55, between Interstate 405 (I-405) and I-5, were approved and signed August 31, 2017, and September 11, 2017, respectively. With design underway, staff is working with Caltrans to further minimize right-of-way impacts for this project. Construction is anticipated to begin in fall 2021. (Project F)
- The consultant submitted the 100 percent design package for the I-5, between Oso Parkway and Alicia Parkway, to Caltrans on December 20, 2017. (Project C and Project D)
- The draft environmental document for the I-405, between I-5 to SR-55, was circulated to the public, and an open house public hearing was held in December 2017. A final environmental document is expected to be complete in July 2018. (Project L)

- Project applications for the Regional Capacity Program and the Regional Traffic Signal Synchronization Program were due October 20, 2017. Staff is currently reviewing the 19 applications received and will provide final recommendations to the Board by June 2018. (Project O and Project P)
- The Raymond Avenue grade separation opened to traffic in October and the State College Boulevard grade separation opened to traffic in November 2017. With all seven OC Bridges grade separations open to the public, OCTA held a closing ceremony for the OC Bridges Program on October 24, 2017. (Project O)
- The Fullerton Transportation Center elevator improvements have been on hold due to the BNSF Railway moratorium. Construction work reinitiated in January 2018. (Project R)
- During excavation of the Orange Transportation Center Metrolink parking structure, contaminated soils were encountered. The Board was notified and approved a contract change order for removal and disposal of the contaminated materials. The issue is not expected to impact completion schedule of early 2019. (Project R)
- On December 18, 2017, the United States Army Corps of Engineers issued a programmatic permit to OCTA and Caltrans to comply with federal clean water permit requirements. This, coupled with the State Water Resources Control Board assurance letter to OCTA in January 2018, provides certainty that the mitigation provided to date is sufficient to offset related M2 freeway project impacts. These permits were acquired through leveraging the M2 environmental program actions, which are over and above the mitigation required in the freeway program and facilitates delivery. (Projects A-M)
- Staff finalized and submitted the 2018 State Transportation Improvement Program (STIP) funding application to the California Transportation Commission (CTC) on December 15, 2017. The 2018 STIP will be adopted by the CTC in March 2018. The application includes substantial funding for the I-5, between Alicia Parkway to El Toro Road, (Project C and Project D) and the SR-55, between I-405 to I-5 (Project F).

A critical factor in delivering M2 freeway projects successfully is to ensure project scopes, schedules, and budgets remain on target. Project scope increases, schedule delays, and resulting cost increases can quickly affect project delivery and have a cascading effect on other activities. In light of a tighter funding situation, and the potential for cost increases due to market conditions,

this factor is even more significant. As such, ability to secure external funding while managing projects tightly is critical. One pending external funding issue is receipt of the Capital Investment Grant (CIG) New Starts full funding grant agreement for the OC Streetcar. The project continues to progress as planned through OCTA's pre-award authority for design and vehicle procurement. The missing piece toward receipt of the grant was the lack of a signed federal transportation bill. On March 23, 2018, Congress passed a \$1.3 trillion federal funding package which was signed by the President later that same day. The funding package appropriates more than \$2.6 billion for the CIG program which includes over \$1.5 billion for New Starts. The Federal Transit Administration and the Orange County Congressional Delegation continue to show strong support for the project, and with the funding package in place, finalized grant approval should be expedited and is anticipated as early as June 2018. M2 project delivery is monitored closely, and progress, as well as challenges, are presented to the Board through these quarterly staff reports, individual project staff reports, as well as through the Capital Action Plan quarterly performance metrics reports from the Capital Programs Division.

Summary

As required by M2 Ordinance No. 3, a quarterly report covering activities from October 2017 through December 2017 is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, M2 progress reports are presented on the OCTA website. Hard copies are available by mail upon request.

Attachments

A. Measure M2 Progress Report, Second Quarter of Fiscal Year 2017-18, October 1, 2017 through December 31, 2017

B. Tracking and Reporting Market Forecast Indicators Work Plan, December 2017

Prepared by:

Tamara Warren Manager, Program Management Office (714) 560-5590

amara Dans

Approved by:

Kia Mortazavi Executive Director, Planning (714) 560-5741



SECOND QUARTER FISCAL YEAR 2017-18 OCTOBER 1, 2017 THROUGH DECEMBER 31, 2017

SECOND QUARTER HIGHLIGHTS:

- Freeway Projects
- Streets and Roads Projects
- Transit Projects
- Environmental Programs
- Finance Matters
- Program Management Office
- Summary





SUMMARY

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the renewal of the Measure M one-half cent sales tax for transportation improvements. Voters originally endorsed Measure M in 1990 with a sunset in 2011. The renewal of Measure M continues the investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

As required by the Measure M2 (M2) Ordinance No. 3, a quarterly report covering activities from October 1, 2017 through December 31, 2017 is provided to update progress in implementing the Measure M2 Transportation Investment Plan. On September 25, 2017, the Board approved externally rebranding M2 to OC Go to promote OCTA's Measure M awareness and public perception.

To be cost effective and to facilitate accessibility and transparency of information available to stakeholders and the public, Measure M2 progress reports are presented on the Orange County Transportation Authority (OCTA) website. Hard copies are mailed upon request.



The cover photo is of the completed Lakeview Grade Separation, one of the OC Bridges projects. All seven of the OC Bridges Grade Separation projects are now open to traffic. A closing ceremony for the OC Bridges Program was held on October 24, 2017. By 2030, the number of daily freight trains is expected to nearly double from 70 to 130. The OC Bridges Program helps preserve quality of life by keeping motorists moving while allowing trains to transport goods.



MEASURE M2 PROGRESS REPORT

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Capital Investment Grant	CIG					
Chief Executive Officer	CEO					
Congestion Mitigation and Air Quality	CMAQ					
Environmental Cleanup Allocation Committee	ECAC					
Environmental Cleanup Program	ECP					
Environmental Document	ED					
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Metrolink Service Expansion Program	MSEP					
Notice to Proceed	NTP					
Next 10 Delivery Plan	Next 10					
Orange County Transportation Authority	OCTA					



Orange County Unified Transportation Trust	OCUTT
Pacific Coast Highway	PCH
Plans, Specifications and Estimates	PS&E
Program Management Office	PMO
Project Development Team	PDT
Project Study Report	PSR
Request for Proposals	RFP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Santa Ana Regional Transportation Center	SARTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Southern California Association of Governments	SCAG
State Route 133	SR-133
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Southern California Regional Rail Authority	SCRRA
Taxpayer Oversight Committee	TOC
To Be Determined	TBD
Transportation Infrastructure Finance and Innovation Act	TIFIA
United States Army Corps of Engineers	ACOE
United States Fish and Wildlife Service	USFWS
United States Department of Transportation	USDOT













Conceptual

Environmental

Design, Advertise, & Award

Design-Build

Construction

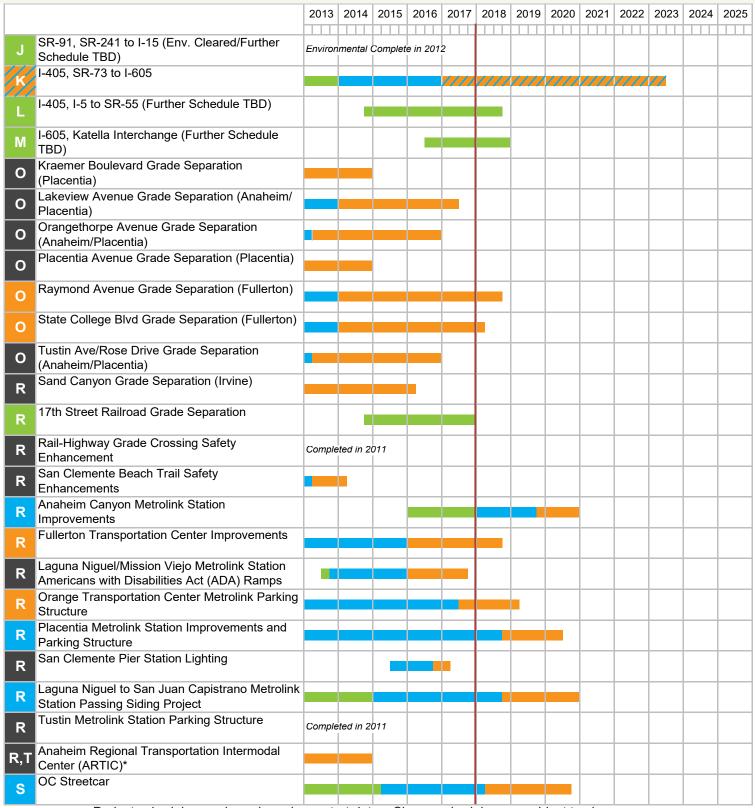
Complete

	2013	20	14	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	202
. I-5. SR-55 to SR-57														
A 1-5, 5K-55 to 5K-57														
B I-5, I-405 to SR-55 (Further Schedule TBD)														
I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange														
C I-5, Avenida Vista Hermosa to Pacific Coast Highway (Complete)														
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SR-55, I-405 to I-5														
SR-55, I-5 to SR-91 (Further Schedule TBD)														
SR-57 NB, Katella Avenue to Lincoln Avenue (Complete)														
SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard (Complete)														
SR-57 NB, Yorba Linda Boulevard to Lambert Road (Complete)														
SR-57 NB, Lambert Road to Tonner Canyon Road (Further Schedule TBD)														
SR-57, Orangewood Avenue to Katella Avenue (Further Schedule TBD)														
SR-91 WB, I-5 to SR-57 (Complete)														
SR-91 WB, SR-55 to Tustin Avenue Interchange (Complete)														
SR-91, SR-55 to SR-57 (Further Schedule TBD)														
SR-91, SR-55 to SR-241 (Complete)														
SR-91, SR-241 to SR-71 (Complete)	Compl	leted	in 20	011										

Project schedules are based on phase start dates. Shown schedules are subject to change.



MEASURE M2 PROJECT SCHEDULES



Project schedules are based on phase start dates. Shown schedules are subject to change.

^{*}Projects managed by local agencies



M2 DELIVERY RISK UPDATE ▼

This section discusses the risks and challenges related to Measure M2 and the Updated Next 10 Delivery Plan (Next 10) that the Measure M2 Program Management Office (PMO) is monitoring – complete with associated explanations and proposed actions.

	Delivery Risk	Explanation	Proposed Action				
Fina	ancial						
1	Impact of the recession and changes in consumer spending resulted in a 44% decrease in forecasted revenues, to \$13.5 billion. If sales tax revenue continues to be lower than projections, this will further impact delivery.	The new lower forecast results in a greater reliance on external funding to deliver the entire Freeway Program as listed.	Continue to actively pursue all available state and federal revenue. Identify lower cost freeway alternative options for Board consideration as appropriate.				
2	Inability to scale the Freeway Program to available revenue and still deliver the promise.	The freeway program includes set project scopes leaving very little flexibility in what is delivered.	OCTA will work closely with Caltrans and involved parties to seek costsaving measures on freeway projects through changes in design parameters where possible.				
3	Delay in receipt of OC Streetcar Full Funding Grant Agreement (FFGA) from the Federal Transit Administration (FTA). While OCTA has pre-award authority for vehicle and design procurement, delay in receipt of the FFGA could impact the overall delivery schedule.	While the FTA and the Orange County Congressional delegation continue to show strong support for the project, authorization for the New Starts FFGA remains outstanding due to a lack of a signed federal transportation bill. The recent passage of the federal funding package appropriated money for the New Starts program, which should accelerate the grant approval process.	Continue to communicate the merits of the OC Streetcar and need for swift action on receipt of the FFGA to FTA, Congress and the Administration as possible. Move forward cautiously to protect the delivery schedule while at the same time minimizing financial risk.				
4	Sustain Metrolink train service, as an attractive alternative to driving in Orange County with the limits of available revenue.	Operational cost of Metrolink service continues to grow as system ages, track-sharing arrangements with BNSF are revised, and new air quality requirements are enacted. These changes could impact the level of service in the long term.	Staff will continue to work closely with Metrolink and our partners to ensure cost increases are minimized while service is optimized.				

	Delivery Risk	Explanation	Proposed Action
5	The Next 10 Market Conditions Forecast and Risk Analysis identified strong potential for an increasing-cost environment during the Next 10 delivery years.		
Organizational			
7	Availability of specialized staff, given the scope of Right-of-Way (ROW) activities for various freeway construction activities. New operational responsibilities	utility clearance have proven to be key factors in reducing risk on construction projects. Early acquisition is challenged by the heavy demand on Caltrans' ROW resources and further by a change in meeting frequency by the California Transportation Commission (CTC), a necessary step in ROW settlement. With the implementation of the	between OCTA and Caltrans are imperative to manage this risk. Staff is currently working with Caltrans to ensure ROW resource needs are met through determining project lead responsibility for projects as they move forward. If resource issues become a problem, OCTA could consider taking full responsibility for ROW activities. OCTA holds a strong track record
	with the OC Streetcar.	OC Streetcar service, OCTA will be increasing its overall role in operations.	in operating various transportation systems including both a fixed and demand-based bus network. To ensure success of the OC Streetcar, OCTA hired a rail manager with proven start-up experience to oversee start-up and daily operations.
Policy			
8	New statewide directives create additional hurdles for the Freeway Program in particular.	focused on greenhouse gas reductions and an interest in	OCTA will work closely with Caltrans to ensure that when freeway improvement projects are reviewed for environmental clearance, they are viewed as part of a larger suite of improvements.



Next 10 Plan Update ▼

Contact: Tami Warren, PMO Manager • (714) 560-5590

On November 13, 2017, the Board approved the updated Next 10 Delivery Plan (Next 10), providing guidance to staff on delivery of M2 projects and programs between 2017 and 2026. The Next 10 was updated to address and incorporate the 2017 sales tax revenue forecast of \$13.5 billion. The updated Next 10 incorporates current revenue projections, bonding assumptions, project costs and schedule, and adjustments ensuring continued delivery of the complete M2 Program by 2041 as promised.

A Market Conditions Forecast and Risk Analysis was conducted to analyze current resource demands and provide information on the impact on OCTA's delivery of Next 10. The results of the analysis were presented to the Board in September 2017, and identified a strong potential that during the Next 10 delivery years OCTA will experience an increasing-cost environment. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of the M2 Program and the Next 10. Given this analysis, the Board directed staff to continue to work with the consultant to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax revenue forecast. A summary of findings from the monitoring effort will be presented to the Board biannually and, if noteworthy, more frequent updates will be provided through these M2 quarterly progress reports.

Updated Next 10 Plan Deliverables

The Next 10 identified 10 objectives. Significant progress has been made, with many projects advancing to construction. A summary of the progress to date for each of the 10 objectives identified in the Next 10 is outlined below.

1. Deliver \$3.1 billion of freeway improvements approved through construction (Projects A-M).

The M2 freeway program currently consists of 27 projects or project segments. At the point of Next 10 adoption, nine were already complete, and another nine designated to be complete within the Next 10 time-frame. Together, the nine segments designated for completion make up the \$3.1 billion delivery promise. Nine segments are expected to be completed by 2026. Currently, the I-5 between Avenida Vista Hermosa to the Pacific Coast Highway is completed. All other projects are in design or construction: two segments of I-5 between Avenida Pico and San Juan Creek Road (Project C); one project on I-405 between SR-55 and I-605 (Project K); another four segments on I-5, one between SR-55 and SR-57 and the other three between SR-73 and El Toro Road (Projects A and C); and one segment on SR-55 between I-405 and I-5 (Project F). For more details, see pages iii-iv (Project Schedules) and the project updates contained in the following pages.

2. Invest approximately \$1.2 billion more in revenues, bringing the completed Freeway Program improvements to \$4.3 billion (Projects A-M). Project I is a priority.

The final nine remaining project segments (of the 27 total) are on track to be environmentally cleared by 2020, making them "shelf ready" for future advancement as revenues become available. The Next 10 Plan designated another \$1.2 billion (in addition to the \$3 billion promised above) toward moving one or two projects from the



nine into construction by 2026. Congestion levels, readiness, and cost risk are factors that will determine which environmentally cleared projects will be recommended to the Board to advance into the construction phase. Project I (between SR-55 and SR-57) meets the above criteria and was designated as a priority project by the Board in the Next 10 Plan and therefore is planned to move directly into design following completion of the environmental phase in 2019.

3. Allocate \$1 billion, with \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and \$600 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs, as appropriate (Project Q).

Since inception, OCTA has invested approximately \$263 million in O funds into the Regional Capacity Program (Project O), \$72.1 million in Regional Traffic Signal Synchronization Program (Project P), and \$305.7 million in the Local Fair Share Program (Project Q). Since the adoption of the Next 10 Plan, a total of \$61.48 million in Local Fair Share funds have been distributed to local agencies. On August 14, 2017, the Board approved the release of the 2018 Call for Projects that will make available approximately \$32 million for Project O and \$8 million for Project P. The 2018 Call for Projects closed on October 20, 2017. OCTA received 12 applications for a total of \$39.4 million in M2 funding requests for the Regional Capacity Program and 7 applications for a total of \$16.5 million for the Regional Traffic Signal Synchronization Program. For more details, see the project updates on page 19.

a. Complete the remaining three grade separation projects (Project O).

When the Next 10 was adopted, grade separation projects under construction included: Raymond Avenue, State College Boulevard, and Lakeview Avenue. Lakeview Avenue grade separation was completed in June 2017. The Raymond Avenue Grade Separation opened to traffic on October 2, 2017 and the State College Boulevard Grade Separation opened to traffic on November 1, 2017. With all seven of the OC Bridges projects open to traffic, a closing ceremony was held on October 24, 2017. Minor punch list construction activities remain, with construction on Raymond Avenue expected to be complete in March 2018 and State College Boulevard in January 2018. To date, the Board has approved \$664 million in committed M2 and external funds for all seven of the OC Bridges Program grade separation projects.

4. Extend Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners; complete six rail station improvements (Project R).

The Riverside County Transportation Commission (RCTC), Los Angeles County Metropolitan Transportation Authority (Metro), and OCTA continue to work together to secure approval of a Memorandum of Understanding (MOU) with Burlington Northern Santa Fe (BNSF) Railway, which is necessary to operate train service on BNSF-owned tracks. Metrolink is the lead in the discussions with the BNSF Railway to evaluate the current shared use and indemnification/liability agreements that govern the use of each agency's respective railroad rights of way. Special counsel has been brought in to assist in these discussions.



Within this program, funding is provided for rail corridor and station improvements to accommodate increased train service and commuter use - including station upgrades, parking expansions, and safety enhancements. The Next 10 Plan identifies six projects to be completed by 2026. 1. Laguna Niguel/Mission Viejo Metrolink station ADA ramps (completed September 2017), 2. Orange Metrolink station parking structure (construction 20% complete), 3. Placentia Metrolink station (construction to begin late 2018 contingent on BNSF MOU approval), 4. Anaheim Canyon Metrolink station improvement project (construction to begin late 2019), 5. Fullerton Transportation Center elevators (construction 20% complete), and 6. San Clemente Pier Metrolink/Amtrak station lighting (completed March 2017). For more details, see the project updates on page 25.

5. Complete design and construction, secure vehicles, and begin operating the OC Streetcar (Project S) and work with local agencies to consider recommendations from planning studies to guide development of future transit connections (Project S).

OC Streetcar

To date, the Board has approved up to \$306.4 million for the OC Streetcar project, including preliminary studies, environmental, project development and construction. OCTA is waiting for receipt of the FFGA for the OC Streetcar. The FTA continues to show strong support for the project. While OCTA does have pre-award authority for construction and vehicle procurement and has initiated both, authorization for the FFGA for the New Starts federal grant remains outstanding. See page-28 for more information.

OC Transit Vision

During this quarter, the Board was presented with the results of the Transit Opportunity Line evaluation which refined and ranked the corridors presented in the previous quarter. The Board was also presented with a list of potential next steps which could be included in the final plan. A public survey was conducted in November and December to solicit feedback on the Transit Opportunity Lines and potential next steps. Project documents can be downloaded from the project website at www.octa.net/octransitvision. The OC Transit Vision Plan is expected to be complete next quarter.

Harbor Corridor Transit Study

During the quarter, the Harbor Study team finished the technical evaluations of the twelve conceptual transit alternatives and met with the project development team (PDT) on October 5th to review and discuss the results. All comments received from city staff were addressed in the following weeks and a revised results package was provided to the PDT in early December. The technical evaluation results and a summary of the city and community input received to date was presented to the OCTA Transit Committee on December 14, 2017. The same presentation will be presented to the OCTA Board on January 8, 2018. The Draft Final Report will be shared with key stakeholders and made available to the public on the Harbor Study webpage. Any comments received from the cities and public will be reviewed and incorporated into the Final Report and an update will be provided to the OCTA Board in early 2018.



6. Provide up to \$115 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).

Since inception, approximately \$52 million in Project U funds has been provided for the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program. Included in this amount, approximately \$12.8 million has been provided for the SMP, SNEMT, and Fare Stabilization programs since the Next 10 Plan adoption. See page 30 for more information.

7. Work with local agencies to develop a plan for the next community circulator projects to provide grant opportunities for local agencies to implement effective local transit services (Project V).

In December 2017, OCTA staff requested letters from local agencies to determine the demand for a future round of Project V funding. X letters were received and staff plans to seek Board support in February 2018 to issue another call for projects. For additional details and information on current project program performance and service see <u>page 31</u>.

8. Allocate up to \$7 million in funding to improve the top 100 busiest bus stops and support the modernization of the bus system to enhance the customer experience (Project W).

To date, the Board has approved up to \$1,205,666 to support 51 city-initiated improvements and \$370,000 for OCTA-initiated improvements. The City of Anaheim postponed development of eight stops and will move forward in a future funding cycle. Of the remaining 43 stops, 14 stops have been completed and the remaining 29 stop improvements are underway by the City of Santa Ana. OCTA invested its \$370,000 portion in a mobile ticketing application to make it more convenient for bus customers to purchase bus passes, obtain trip information, and board buses by enabling riders to use smart phone devices to display bus passes as proof of payment. Following implementation of the existing projects, staff will work with local agencies to assess future funding needs. Future funding recommendations will be brought to the Board in 2018. For additional details see page 32.

9. Ensure the ongoing preservation of purchased open space (Preserves) which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).

The Freeway Mitigation Program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 12 restoration projects approved for funding by the Board, totaling approximately 350 acres. These Preserves and restoration projects are folded into the OCTA Natural Community Conservation Plan/ Habitat Conservation Plan (Conservation Plan), which contributes mitigation to streamline the permitting process for M2 freeway projects. The program's Conservation Plan and Final Environmental Impact Report and Environmental Impact Statement (EIR/EIS) were approved by the Board in November 2016. The final permits were approved by the Wildlife Agencies in June 2017. As part of the Conservation Plan process, an endowment is required to be established to pay for the long-term management of the Preserves. The second



deposit into the endowment was made in August 2017, and approximately \$2.9 million on will be deposited an annual basis. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established. Management of the Preserves includes the development and release of Preserve specific resource management plans. Additionally, staff will monitor the progress of all restoration projects and provide status updates to the Environmental Oversight Committee until each project is implemented. For more details, see the project updates on page 33.

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs, with a goal of providing \$40 million in grants to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (ECP) (Project X).

Since inception, the Board has awarded approximately \$48 million for 154 Tier 1 and 22 Tier 2 projects. An eighth Tier 1 Call for Projects is anticipated to be released in March 2018. Staff is working with the ECAC and the County of Orange to determine the best timing for the next Tier 2 call based on projected cash flow and local jurisdictions' interest in potential viable Tier 2 projects. For more details, see the project updates on page 33.



INTERSTATE 5 (I-5) PROJECTS ▼

Segment: I-5, Between SR-55 and SR-57

Status: Design complete. Construction bid package preparation underway.

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will increase high occupancy vehicle (HOV) capacity by adding a second HOV lane in both directions along I-5 between SR-55 and SR-57 in Santa Ana. This quarter, the Project achieved Ready-to-List status. On November 13, 2017 the OCTA Board approved Amendment #1 to the OCTA/Caltrans Construction Cooperative Agreement to increase construction capital and construction support funds due to cost estimate increases in higher bids, increasing the finalized Construction Cost Estimate by \$654,000. Board also approved the consultant selection for consultant construction management services. Due to changes in scope and the replacement of STIP funds with CMAQ funds, this project is marked "red" in the Capital Action Plan (CAP), signifying a delay of over three months beyond the original schedule. In the first quarter of 2018, the project is expected to receive federal authorization (via an E-76) to advertise the construction contract.

Segment: I-5, I-405 to SR-55

Status: Environmental Phase Underway - 76% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT B

PROJECT A

Summary: This project will add one general purpose lane in each direction of the I-5 corridor and improve the interchanges in the area between SR-55 and SR-133 (near the El Toro "Y" and I-405) in Tustin and Irvine. The environmental study will consider the addition of one general purpose lane on I-5 between just north of I-405 to SR-55. Additional features of Project B include improvements to various interchange ramps. Auxiliary lanes could be added in some areas and re-established in other areas within the project limits. During the quarter, the consultant continued working on last few technical studies and obtained Caltrans approval on more technical studies. The draft Environmental Document (ED) has been submitted for the first review. The final ED is expected to be complete in November 2018.

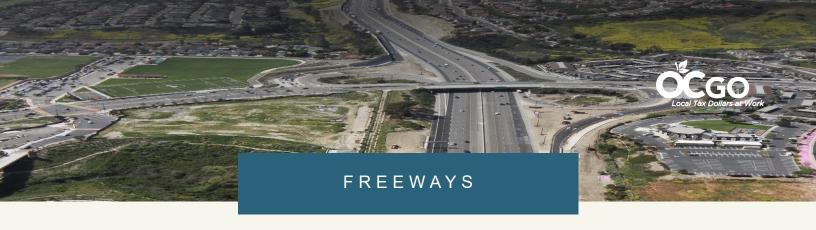
Segment: I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange

Status: Construction Underway - 90% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT C AND PART OF PROJECT D

Summary: This segment adds a carpool lane in each direction on I-5 between Avenida Pico and Avenida Vista Hermosa in San Clemente, and also includes major improvements to the Avenida Pico Interchange (part of Project D), which will also add bicycle lanes in both directions of Avenida Pico. Construction began in February 2015. During the quarter, construction of the main line roadway section continued. Ramp paving and Avenida



Pico paving, sidewalks, driveways and curb and gutters work have been completed along with relocation of utilities and traffic. Insulation of irrigation systems and planting work continued. Lane openings are anticipated next quarter with construction is scheduled to be complete in Spring 2018.

Segment: I-5, Avenida Vista Hermosa to Pacific Coast Highway

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment adds a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) in San Clemente, and also includes reconstructing on and off ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014. During the quarter, construction was completed (July 2017). The added carpool lanes will be open to traffic when the segments at either side of this improvement (Avenida Pico to Avenida Vista Hermosa and Pacific Coast Highway to San Juan Creek Road) are complete, which is anticipated in Spring 2018.

Segment: I-5, Pacific Coast Highway to San Juan Creek Road

Status: Construction Underway - 95% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

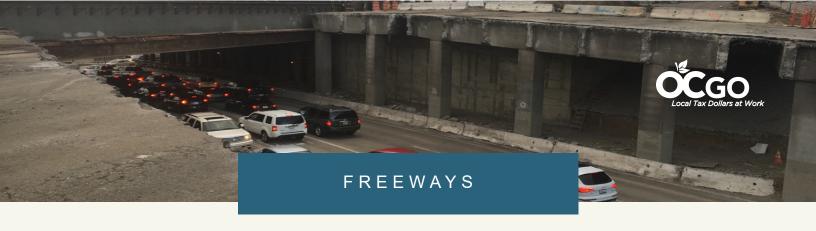
Summary: This segment will add one carpool lane in each direction of the I-5 between PCH and San Juan Creek Road in the cities of San Clemente, Dana Point, and San Juan Capistrano. Project improvements also include reconstructing on and off ramps at PCH/Camino Las Ramblas. Construction began in March 2014. During the quarter, work on the median and installation of irrigation systems continued. In the fall of 2015, the Board was informed that a soil issue was identified, which would delay project completion. As a result, this project is marked "red" in the CAP, signifying a delay of more than three months, with a revised completion date extending at least 19 months past the original schedule (September 2016). Construction work is scheduled to be complete in Spring 2018.

Segment: I-5, SR-73 and Oso Parkway/Avery Parkway Interchange

Status: Design Phase Underway - 95% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between SR-73 and Oso Parkway in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The proposed improvements include the addition of a general purpose lane in each direction and reconstruction of the Avery Parkway Interchange (part of Project D). During the quarter, the consultant continued working on ROW appraisals and coordinated with utility agencies. Staff continued to coordinate



with Caltrans to finalize and approve the required Fact Sheet. In November, the Board approved an amendment to the final PS&E agreement for additional design services as a result of updated Caltrans requirements. It is anticipated that the 100% Plans, Specifications, and Estimates (PS&E) will be submitted to Caltrans late February 2018. The plans identify a higher cost estimate due to unit price increases, rise in Caltrans support costs, and schedule changes to address bird nesting season restrictions. This segment is included in the 2018 STIP project recommendations for additional funding to address the increased cost estimate, which was approved by the Board in September and expected to be adopted by the CTC in March 2018. Due to extended ROW coordination, this project is marked "red" in the CAP, signifying a delay of over three months beyond the original schedule. Design work is anticipated to be complete in Spring 2018.

Segment: I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange

Status: Design Phase Underway - 100% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between Oso Parkway and Alicia Parkway in the cities of Mission Viejo, Laguna Hills, and Lake Forest. The proposed improvements include the addition of a general purpose lane in each direction and reconstruction of the La Paz Road Interchange. Major activities this quarter included submittal of the 100% Design package on December 20, 2017. Staff also continued coordination of the service contract with Southern California Regional Rail Authority (SCRRA)/Metrolink, and with Caltrans on ROW and utilities. Due to extended ROW coordination, this project is marked "red" in the CAP, signifying a delay of over three months beyond the original schedule. This project is anticipated to begin construction in early 2019.

Segment: I-5, Alicia Parkway to El Toro Road

Status: Design Phase Underway - 95% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between Alicia Parkway to EI Toro Road in the cities of Lake Forest, Laguna Hills, Laguna Woods and Mission Viejo, including the extension of the second HOV lane from EI Toro Road to Alicia Parkway. Major activities this quarter included continued coordination with Caltrans, Orange County Parks and Orange County Flood Control regarding the planned work at Aliso Creek. The E-76 package to allow Caltrans to begin work was approved on August 31, 2017 by Federal Highway Administration (FHWA). Due to extended ROW coordination with Caltrans and delayed design start date, this project is marked "red" in the CAP, signifying a delay of over three months beyond the original schedule. The 100% Design Submittal is anticipated for July 2018.



PROJECT D

This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz, and at El Toro Road. Three interchange improvements at La Paz, Avery Parkway, and Avenida Pico are part of Project C.

Segment: I-5, El Toro Interchange

Status: Environmental Phase Underway - 20% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project includes four different alternatives that consider modifications to the existing interchange, which range from a I-5 southbound direct connector to El Toro Road to modifications in how existing off ramp intersections operate. The E-76 package to allow Caltrans to begin work was approved in April 2017 by FHWA and work began in May 2017. Work during the quarter included conducting the Value Analysis Study and a Right-of-Way review meeting between Caltrans and OCTA. The Value Analysis Final Report is expected next quarter. An update by Caltrans on this project was presented to the OCTA Board in May 2017 and the next update is expected in March 2018. The environmental phase is anticipated to be completed in late 2019.

Segment: I-5, Ortega Highway Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Construction began in February 2013 to reconstruct the SR-74 Ortega Highway Bridge over I-5, and improve local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. All lanes on the new bridge were opened to traffic on September 4, 2015. A dedication ceremony was held on October 1, 2015. The project was officially completed on January 15, 2016.

STATE ROUTE 22 (SR-22) PROJECTS ▼

Segment: SR-22 Access Improvements

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: Completed in 2008, Project E made improvements at three key SR-22 interchanges (Brookhurst Street, Euclid Street, and Harbor Boulevard) in the City of Garden Grove to reduce freeway and street congestion in the area. This M2 project was completed early as a "bonus project" provided by the original Measure M (M1).



STATE ROUTE 55 (SR-55) PROJECTS ▼

Segment: SR-55, I-405 to I-5

Status: Design Phase Underway - 10% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will widen SR-55 in the cities of Irvine, Santa Ana, and Tustin. Through a cooperative agreement, Caltrans is preparing the 35% design work and is responsible for developing and seeking approval of the required Fact Sheet addressing necessary design variations on the project. With OCTA staff oversight, Caltrans is refining the geometrics to eliminate and minimize the potential ROW risk and costs. The final Fact Sheet is anticipated to be signed by mid-February 2018. OCTA consultant contract will be executed in February 2018 for the Board authorized consultant selection for PS&E services. ROW and utility coordination have been initiated. The design baseline schedule will be finalized in January 2018.

Segment: SR-55, I-5 to SR-91

Status: Environmental Phase Underway - 17% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will add capacity between I-5 and SR-22, and provide operational improvements between SR-22 and SR-91 in the cities of Orange, Santa Ana, Tustin, and Anaheim. The environmental study will consider the addition of one general purpose lane in each direction to SR-55 between SR-22 and the I-5, and provide operational improvements on SR-55 between SR-22 and SR-91. During the quarter, the consultant continued to work on traffic studies and initiated some of the environmental technical studies. The environmental phase is anticipated to be complete in early 2020.

STATE ROUTE 57 (SR-57) PROJECTS ▼

Segment: SR-57 Northbound, Katella to Lincoln Avenue

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT G

PROJECT F

Summary: This project increased capacity and improved operations on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim with the addition of a new 3-mile general purpose lane, on- and off-ramp improvements, and sound walls. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The project opened to traffic on November 19, 2014 and completed on April 21, 2015.



Segment: SR-57 Northbound, Orangethorpe to Yorba Linda Boulevard

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project increased capacity and improved operations on northbound SR-57 with a new 2.5-mile northbound general-purpose lane between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton. In addition to the new lane, capital improvements include reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The new general purpose lane was opened to traffic on April 28, 2014. The project was completed on November 6, 2014.

Segment: SR-57 Northbound, Yorba Linda Boulevard to Lambert Road

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Completed on May 2, 2014, this project improved capacity, operations, and traffic flow on SR-57 with the addition of a new 2.5-mile northbound general-purpose lane between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits include on- and off-ramp improvements, the widening and seismic retrofit (as required) of six bridges in the northbound direction and the addition of soundwalls. Existing lanes and shoulders were also widened to standard widths, enhancing safety for motorists. The new general purpose lane was opened to traffic on September 23, 2013.

Segment: SR-57 Northbound, Lambert Road to Tonner Canyon Road

Status: Environmental phase expected to begin in mid-2020 (pending STIP funding approval)

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Caltrans previously completed a PSR/Project Development Support document for the Lambert Road to Tonner Canyon Road segment, which will add a truck-climbing lane from Lambert Road to Tonner Canyon Road in the City of Brea. The environmental phase is expected to begin in mid-2020 and will take into consideration any related work by LA Metro across the county line. Funding for the environmental phase for this project is included in the 2018 STIP which is scheduled to be approved in March of 2018. Additionally, Caltrans and the City of Brea are moving forward with interchange improvements at Lambert Road using M2 streets and roads, STIP, and other Federal funds. Additionally the interchange project was submitted for Senate Bill 1 Trade Corridor Enhancement Program funds and the implementing agencies will get notification regarding approval in May of 2018. The interchange improvements will complement and serve as a first phase to the freeway improvement project.









Segment: SR-57 Northbound, Orangewood Avenue to Katella Avenue

Status: Environmental Phase Underway - 35% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will add capacity in the northbound direction of SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. Improvements under study include adding a northbound general purpose lane to join the northbound general purpose lane which was opened to traffic in 2014 between Katella Avenue and Lincoln Avenue. During the quarter, comments were received from Caltrans pertaining to the draft technical studies that had been previously submitted. Also, a "schedule-specific" meeting was held on December 20, 2017 to review the overall schedule and determine timelines for remaining tasks. The environmental phase is anticipated to be complete in late 2018.

STATE ROUTE 91 (SR-91) PROJECTS

Segment: SR-91 Westbound, I-5 to SR-57

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT H

Summary: This project increased capacity in the westbound direction of SR-91 by adding an additional general purpose lane in the westbound direction between Anaheim and Fullerton, and provided operational improvements at on and off-ramps between Brookhurst Street and State College Boulevard. Construction is 100 percent complete, as of June 23, 2016. Consultant-supplied construction management services ended on September 29, 2016. The general purpose lane was opened to traffic on March 7, 2016.

Segment: SR-91, SR-55 to Tustin Avenue Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT I

Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane beginning at the northbound SR-55 to westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim. The project was intended to relieve weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. The bypass lane was open to traffic on May 14, 2016. Construction is 100 percent complete. Contract Acceptance was granted on October 31, 2016.



Segment: SR-91, SR-55 to SR-57

Status: Environmental Phase Underway - 60% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will improve traffic flow and operations along SR-91 within the cities of Fullerton and Anaheim. The study will look at the addition of one general purpose lane eastbound between SR-57 and SR-55, and one general purpose lane westbound from Glassell Street to State College Boulevard. Additional features of this project include improvements to various interchanges. Auxiliary lanes will be added in some segments and re-established in others within the project limits. This quarter, the consultant continued working on technical documents. M2 and federal funds would pay for the mainline freeway improvements and future funding would need to be identified for connector portions of the project. Due to Caltrans requiring extra work to study interchange improvements outside of the completed Project Study Report (PSR), the project is marked "red" in the CAP with a delay of more than one year from its original schedule. The environmental phase is expected to be complete in mid-2019.

Segment: SR-91, SR-55 to SR-241
Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This completed Project J segment added six miles in the westbound and eastbound direction to a key stretch of SR-91 between SR-55 and SR-241 in the cities of Anaheim and Yorba Linda. In addition to adding 12 lane miles to SR-91, the project also delivered a much needed second eastbound exit lane at the Lakeview Avenue, Imperial Highway and Yorba Linda Boulevard/Weir Canyon Road off-ramps. Beyond these capital improvements, crews completed work on safety barriers, lane striping and soundwalls. Completion of this project in March 2013 means a total of 18 lane miles have been added to SR-91 since December 2010.

Segment: SR-91, SR-241 to SR-71

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT J

Summary: Completed in January 2011, this segment added six miles through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71. The project improves mobility and operations by reducing traffic weaving from traffic exiting at SR-71 and Green River Road. An additional eastbound general purpose lane on SR-91 was added and all existing eastbound lanes and shoulders were widened. Because this project was shovel-ready, OCTA was able to obtain American Recovery and Reinvestment Act funding for this M2 project, saving M2 revenues for future projects.



Segment: SR-91, SR-241 to I-15

Status: RCTC's Design-Build - Initial Phase Complete March 20, 2017

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The purpose of this project is to extend the 91 Express Lanes eastward from its current terminus in Anaheim to I-15 in Riverside County. This project will also add one general purpose lane in each direction of SR-91, from SR-71 to I-15, and construct various interchange and operational improvements. On March 20, 2017, the RCTC contractors completed the \$1.3 billion initial phase freeway improvement project which extended the 91 Express Lanes from Orange County to I-15 in Riverside County, added a general purpose lane east of SR-71 to I-15, and provided tolled express connectors between SR-91 and I-15. While the portion of this project between SR-241 and the Orange County/Riverside County line is part of OCTA's M2 Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. Construction of the final additional general purpose lane between SR-241 and SR-71 will take place post-2035. The ultimate project widens all SR-91 general purpose lanes to standard lane and shoulder widths from SR-241 to SR-71 (RCTC is responsible for the lane improvements between Green River and SR-71 while OCTA will be responsible for the lane improvements west of Green River to SR-241). To maintain synchronization, these general purpose lanes improvements, which span both counties, will be scheduled to ensure coordinated delivery of both portions of the project, and will provide a continuous segment that stretches from SR-241 to SR-71. This action is consistent with the 2017 SR-91 Implementation Plan.

INTERSTATE 405 (I-405) PROJECTS ▼

Segment: I-405, SR-73 to I-605

Status:

Design-Build Underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: OCTA and Caltrans are working together to widen I-405 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. These improvements will add one general purpose lane, add a second lane to be combined with the existing HOV lane to provide a dual express lanes facility, and improve the local interchanges along the corridor from SR-73 to I-605. *

During the quarter, work continued on public outreach, ROW acquisition, utility coordination, and environmental permitting. Other work includes review of design-builder submittals, including design submittals, quality management plan, transportation management plan, and other administrative plans necessary to be completed prior to commencement of construction. The design-builder continued their pre-construction investigations, including utility potholing to positively locate utilities and geotechnical borings to analyze soil conditions throughout the project site. On October 24, 2017, OCTA, Caltrans and the City of Long Beach executed a settlement

PROJECT K



agreement related to ongoing litigation. OCTA approved the first Resolutions of Necessity for the project on November 27, 2017. Construction is expected to begin in early 2018 and be complete in 2023. Efforts were initiated to plan the groundbreaking ceremony in late January 2018.

* The general purpose lane portion of the project is a M2 project and will be funded by a combination of local, state and federal funds, with the express lanes portion of the project financed and primarily paid for by those who choose to pay a toll and use the 405 Express Lanes.

Segment: I-405, I-5 to SR-55

Status: Environmental Phase Underway - 90% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT L

Summary: This project will add one general purpose lane in each direction of the I-405 corridor and improve the interchanges in the area between I-5 and SR-55 in Irvine. Additional features of Project L include improvements to various interchanges, auxiliary lanes and ramps. During the quarter, the consultant obtained approval on remaining engineering technical studies, draft ED and draft PR. The draft ED has been circulated to the public and an open house format Public Hearing was held in December 2017. The final ED is expected to be complete in July 2018.

INTERSTATE 605 (I-605) PROJECTS ▼

Segment: I-605, Katella Interchange Improvements

Status: Environmental Phase Underway - 79% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

PROJECT M

Summary: This project will improve freeway access and the arterial connection to I-605 at Katella Avenue in the City of Los Alamitos and the County of Orange. Improvements under this project may include enhancements at the on-ramps and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. The remaining two build alternatives include modification of interchange ramps and lane configurations on Katella Avenue from Coyote Creek Channel to Civic Center Drive. During the quarter, the consultant continued working on the last remaining technical study and obtained Caltrans approval on all others completed. The draft ED has been submitted for the first review. The final ED is anticipated to be completed in November 2018.



FREEWAY SERVICE PATROL ▼

Status: Service Ongoing

Contact: Cliff Thorne • (714) 560-5975

PROJECT N

Summary: M2's Freeway Service Patrol (FSP) began operation in June 2012 and provides tow truck service for motorists with disabled vehicles on the freeway system to help quickly clear freeway lanes and minimize congestion. During the quarter, the midday service provided assistance to 1,476 motorists, weekend service provided assistance to 857 motorists, and construction service provided assistance to 299 motorists. Since inception, M2 and construction-funded FSP has provided a total of 64,442 assists to motorists on the Orange County freeway system.

REGIONAL CAPACITY PROGRAM ▼

Status: 2018 Call for Projects in Progress

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: This program, in combination with required local matching funds, provides funding for improvements on Orange County's Master Plan of Arterial Highways. Since 2011, 135 projects totaling more than \$263 million have been awarded through seven calls for projects by the Board. On August 14, 2017, the Board approved the release of the 2018 Call for Projects that will make approximately \$32 million available to fund additional road improvements throughout the County. One-on-one meetings are being held with local agencies to assist in the preparation and submittal of grant applications. Applications for funding were due by October 20, 2017. OCTA received 12 applications for a total of \$39.4 million in M2 funding requests. Staff is currently reviewing applications and will provide final recommendations to the Board in the spring 2018.

OC Bridges Railroad Program

This program will build seven grade separations (either under or over passes) where high volume streets are impacted by freight trains along the BNSF Railroad in North County. A status for each of the seven projects is included below. As of the end of this quarter, five are complete (Kraemer, Placentia, Orangethorpe, Tustin/Rose, and Lakeview), and the two remaining projects are scheduled to be completed in 2018. A OC Bridges closing ceremony was held on October 24, 2017 and all seven grade separations are now open to traffic. Minor activities continue to complete punch list items and close out the projects.

Segment: Kramer Boulevard Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at Kraemer Boulevard railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. The grade separation was opened to traffic on June 28, 2014, and an event was held on July 8, 2014 to commemorate the opening. Project acceptance by the City of Anaheim and the City of Placentia, respectively, occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.

PROJECT O



Segment: Lakeview Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at Lakeview Avenue railroad crossing grade separated the local street from railroad tracks in the cities of Anaheim and Placentia by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue. Construction began on July 1, 2014.

Lakeview Avenue was reopened on June 6, 2017. Construction acceptance from the cities of Anaheim and Placentia was obtained on June 2, 2017 and OCTA has turned over the maintenance responsibilities to the cities and commenced the one year warranty. Close-out activities will be ongoing till January 2018.

Segment: Orangethorpe Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at Orangethorpe Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge for vehicular traffic over the railroad tracks. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. OCTA oversaw construction of the project which was completed during the quarter. Final construction activities included landscaping, irrigation, survey monumentation, and construction close-out activities. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty.

Segment: Placentia Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at Placentia Avenue railroad crossing is grade separated and open to traffic. This project separated the local street from railroad tracks in the city of Placentia by building an underpass for vehicular traffic. An event was held on March 12, 2014, to commemorate the opening to traffic. Project acceptance by the City of Anaheim and the City of Placentia, respectively, occurred in December 2014, and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.



Segment: Raymond Avenue Grade Separation

Status: Construction Underway - 92% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at Raymond Avenue railroad crossing will grade separate the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing construction and OCTA is providing construction oversight, public outreach, railroad coordination, and ROW support. Construction began on June 2, 2014. Activities this quarter continue to include pump station, electrical, street lighting, traffic signal, and roadway excavation, pavement, and striping. Raymond Avenue has been opened to traffic since October 2017. Construction is forecasted to be completed by March 2018.

Segment: State College Boulevard Grade Separation

Status: Construction Underway - 99% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at State College Boulevard railroad crossing will grade separate the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing the construction and OCTA is providing construction oversight, public outreach, railroad coordination, and ROW support. Construction activities this quarter continue to include work on pump station, electrical, and roadway excavation, pavement and striping. State College Boulevard was opened to through traffic on November 1, 2017. Construction is expected to be completed by the end of January 2018.

Segment: Tustin Avenue/Rose Drive Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Tustin Avenue/Rose Drive railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge over the railroad crossing for vehicular traffic. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. OCTA oversaw construction of the project, which was completed during the quarter. Final construction activities included traffic signal controller, landscaping, irrigation, survey monumentation, and construction close-out and warranty activities. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty.



REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM ▼

Status: Ongoing

Contact: Anup Kulkarni, Planning • (714) 560-5867

PROJECT P

Summary: This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate signals for 2,000 intersections along 750 miles of roadway as the basis for synchronized operation across Orange County. The program will enhance the efficiency of the street grid and reduce travel delay.

To date, OCTA and local agencies have synchronized more than 2,000 intersections along more than 540 miles of streets (or 59 completed projects). There have been seven rounds of funding to date, providing a total of 91 projects with more than \$89.17 million in funding awarded by the Board.

On August 14, 2017, the Board approved the release of the 2018 Call for Projects Regional Traffic Signal Synchronization Program, making approximately \$8 million available for signal synchronization projects. The Call for Projects closed on October 20, 2017. OCTA received 7 applications for a total of \$16.5 million in M2 funding requests. Staff is currently reviewing applications and will provide final recommendations to the Board in the spring, 2018.

LOCAL FAIR SHARE -

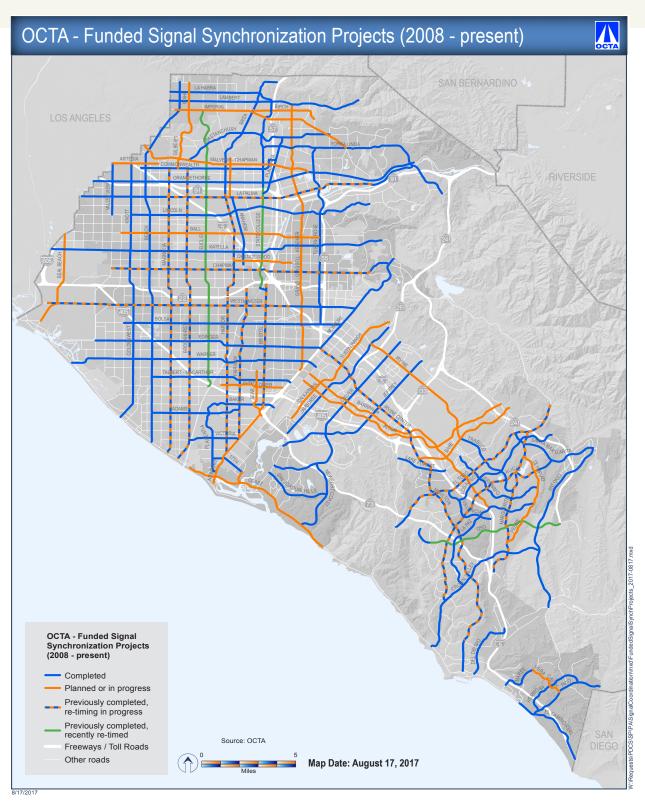
Status: Ongoing

Contact: Vicki Austin, Finance • (714) 560-5692

PROJECT Q

Summary: In order to help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures of the cities and the County. All local agencies have been found eligible to receive Local Fair Share funds. On a bi-monthly basis, 18 percent of net revenues are allocated to local agencies by formula. Approximately \$305.7 million in Local Fair Share payments have been provided to local agencies as of the end of this quarter.

See pages 47-48 for funding allocation by local agency.





HIGH FREQUENCY METROLINK SERVICE ▼

PROJECT R

Project R will increase rail services within the County and provides additional Metrolink service north of Fullerton to Los Angeles. The program provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks. This program also includes funding for grade crossing improvements at high volume arterial streets, which cross Metrolink tracks.

Project: Metrolink Grade Crossing Improvements

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



Summary: Enhancement of the designated 52 Orange County at-grade rail-highway crossings was completed as part of the Metrolink Service Expansion Program (MSEP) in October 2012. Completion of the safety improvements provided each corridor city with the opportunity to establish a "quiet zone" at their respective crossings. Quiet zones are intended to prohibit the sounding of train horns through designated crossings, except in the case of emergencies, construction work, or safety concerns identified by the train engineer. The cities of Anaheim, Dana Point, Irvine, Orange, Santa Ana, San Clemente, San Juan Capistrano, and Tustin have established quiet zones within their communities.

Project: Metrolink Service Expansion Program

Status: Service Ongoing

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Following the completion of the MSEP improvements in 2012, OCTA deployed a total of ten new Metrolink intra-county trains operating between Fullerton and Laguna Niguel/ Mission Viejo, primarily during the midday and evening hours. Efforts to increase ridership through a redeployment of the trains without significantly impacting operating costs have been underway since 2014. Average daily ridership on intra-county trains has increased by 11 percent over the last five fiscal years.

In April 2015, several schedule changes added a connection between the 91/Perris Valley Line and the intracounty service at Fullerton to allow a later southbound peak evening departure from Los Angeles to Orange County. Ridership on these two trains has increased by 45 percent since the improvement was implemented.

Part of OCTA's re-deployment plan involves providing new trips from Orange County to Los Angeles. Staff continues to work with BNSF, RCTC, and Metro to address track-sharing issues, operating constraints and funding that will impact the options for redeployment. Metrolink is the lead in negotiations with the BNSF Railway to evaluate the current shared use and indemnification/liability agreements that govern the use of each agencies respective railroad rights of way. These discussions are ongoing and special counsel has been brought in to



assist. Operation of additional Metrolink trains to Los Angeles is contingent on addressing indemnification and liability agreements and the completion of a triple track project on the BNSF Railway between Fullerton and Los Angeles, which is currently anticipated to be in early 2018.

Rail Corridor and Station Improvements

Additionally, under MSEP, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions, better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the CAP pages at the back of this report.

Segment: Anaheim Canyon Metrolink Station Improvements

Status: Notice to Proceed to Begin Design Anticipated early 2018

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: This OCTA-led project will include construction of a second main track and platform, lengthening the existing platform, and improved pedestrian circulation. The project will also include the addition of benches, shade structures, and ticket vending machines. In August, the Board selected a consultant to prepare final PS&E. The notice to proceed to begin design is anticipated in early 2018 and the project is expected to be complete and ready to bid in June 2019. Construction of the project is expected to begin in October 2019 with completion anticipated in December 2020.

Segment: Fullerton Transportation Center Improvements

Status: Construction Phase Underway - 20% Complete

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Completed early on, a new 5-level parking structure was constructed to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. This City-led project was completed on June 19, 2012. After completion, an elevator upgrade project was initiated with leftover savings. The elevator project will modify the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton is the lead on this project as well. Shoring and excavation for the elevator pits has been completed. Due to the BNSF moratorium period, the project has been on hold and construction is expected to continue in January 2018. The City of Fullerton is now projecting the completion of the project to be in September of 2018. Due to sub-contractor issues and utility conflicts, this project is marked "red" in the CAP signifying a delay of more than three months.



Segment: Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act

(ADA) Ramps

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: The Laguna Niguel/Mission Viejo station accessibility improvements project was completed in September 2017. Improvements include new ADA-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom, vending machine room, and three passenger canopies.

Segment: Orange Transportation Center Metrolink Parking Structure

Status: Construction Phase Underway - 20% Complete

Contact: Jennifer Bergener, Rail • (714) 560-5462

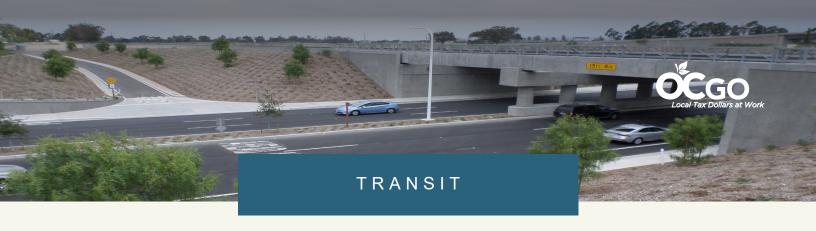
Summary: This project will include a 611-space, 5-level shared use parking structure that will be located on Lemon Street between Chapman Avenue and Maple Street in Orange. Per a cooperative agreement between OCTA and the City of Orange, the City of Orange is the lead on the design phase, and OCTA is the lead on the construction phase of the project. A construction contract was awarded by the OCTA Board on June 12, 2017. Construction began on July 17, 2017. During excavation, contaminated soils were encountered. In October 2017, the Board was notified and approved a contract change order for removal and disposal of the contaminated materials. The contaminated soils and two underground storage tanks were removed on a time and material basis. The contaminated soils issue is not expected to impact the schedule and the project is expected to be completed in early 2019.

Segment: Placentia Metrolink Station Improvements and Parking Structure

Status: Design Complete - Ready for Advertisement subject to BNSF track sharing agreement

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Plans for the proposed Placentia Metrolink Station Project were near completion when the City of Placentia requested to modify them to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a new Cooperative Agreement with the City of Placentia that revised the project's scope and budget. There will now be a parking structure as part of the project and the City of Placentia will contribute towards the cost. The station will include platforms, parking, a new bus stop, and passenger amenities. OCTA is the lead for design and construction of the project. The project will also include a third track which should assist with the on-time performance of train operations and provide operational flexibility for both freight and passenger trains. BNSF will be the lead on the rail construction. Design plans have been completed and reviewed by the construction management consultant. It is anticipated that the plans will be ready to advertise in July 2018. This project's ability to move into construction is subject to finalizing a track sharing agreement with BNSF.



Segment: San Clemente Pier Station Lighting

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



Additional rail corridor improvements include: completion of the San Clemente Beach Trail Audible Warning System (AWS) project, which provides additional safety improvements and AWS devices at seven pedestrian grade crossings along the beach trail (AWS activation occurred on June 24, 2016); completed PSRs or environmental clearance for six potential grade separation projects along the LOSSAN corridor (State College Boulevard, Ball Road, 17th Street, Santa Ana Boulevard, Grand Avenue, and Orangethorpe Avenue); replacement of the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will also accommodate a future bike trail on the south end along the creek (design is 60 percent complete and ROW acquisition is in progress); the Control Point project at Fourth Street in the City of Santa Ana, which will provide rail operational efficiencies (construction anticipated to be completed in the first quarter of 2018); the Railroad ROW Slope Stabilization project, which includes eight locations within the OCTA-owned LOSSAN rail corridor that have been identified for improvements to prevent future erosion and slope instability (construction ready and preparing for advertisement); and continued implementation of video surveillance systems and Positive Train Control.

Segment: Laguna Niguel to San Juan Capistrano Passing Siding Project

Status: Design Phase Underway - 80% Complete

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Currently in the design phase, this project will add approximately 1.8-miles of new passing siding railroad track adjacent to the existing mainline track, which will enhance operational efficiency of passenger services within the LOSSAN rail corridor. The 100 percent design plans have been reviewed by SCRRA and the City of San Juan Capistrano. Final design comments from SCRRA and the city are being resolved and incorporated. Completion of the design phase is expected in first quarter of 2018 and construction is expected to begin in late-2018. This project is marked "red" in the CAP, signifying a delay of more than three months.



Segment: Sand Canyon Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital • (714) 560-5729

Summary: The project located at Sand Canyon Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. The westbound lanes were opened to traffic on June 12, 2014, and the eastbound lanes were opened to traffic on July 14, 2014. A road opening ceremony was held on August 11, 2014. The project is completed and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project completed the one-year warranty period and no repairs were identified. The project was closed out in mid-January 2017.

Segment: Tustin Metrolink Station Parking Structure

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Also completed early on, this project provided additional parking at the Tustin Metrolink Station to meet increased requirements associated with the MSEP by constructing a new 4-story parking structure with approximately 735 spaces, plus on-site surface parking. The parking structure was opened to the public on September 22, 2011.

TRANSIT EXTENSIONS TO METROLINK -

In order to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program which allows cities to apply for funding to connect passengers to their final destination via transit extension. There are currently two areas of this program: a fixed guideway program (street car) and a rubber tire transit program.

Project: OC Streetcar

Status: Design Completed; Invitation for Bids (IFB) Issued

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: The OC Streetcar Project will serve the Santa Ana Regional Transportation Center through downtown Santa Ana, and the Civic Center to Harbor Boulevard in the City of Garden Grove. OCTA is serving as the lead agency for the project.

PROJECT S



During the reporting period, plans and specifications for the infrastructure and Maintenance and Storage facility construction were finalized following completion of the design and quality assurance review processes. The procurement documents for the construction IFB were completed and the OCTA Board approved release of the IFB on December 11, 2017. The pre-bid meeting was held on December 18, 2017 and the effort to pre-qualify construction firms for the construction bid continued.

Work on the vehicle manufacturing and delivery procurement continued this quarter. A best and final offer was issued in October and submissions were received from proposers in early November. The Evaluation Committee met in early December and recommendations for the vehicle contract award are being finalized for presentation to the OCTA Board next quarter.

Work continued on development of the scope of services for the operations and maintenance contract. OCTA hosted an industry forum on November 15, 2017 and five firms attended and provided input on the scope of services. Staff is scheduled to request OCTA Board approval to release the request for proposals in April 2018.

One final issue pending is receipt of the Capital Investment Grant (CIG) New Starts FFGA for the OC Streetcar. The project continues to progress as planned through OCTA's pre-award authority for design and vehicle procurement. The missing piece towards receipt of the grant was the lack of a signed federal transportation bill. On March 23, 2018, Congress passed a \$1.3 trillion federal funding package which was signed by the President later that same day. The funding package appropriates more than \$2.6 billion for the CIG program which includes over \$1.5 billion for New Starts. The FTA and the Orange County Congressional delegation continue to show strong support for the project and with the funding package in place, finalized grant approval should be expedited and is anticipated as early as June.

Project: Bus and Station Van Extension Projects

Status: Service Ongoing for Anaheim Canyon Metrolink Bus Connection

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: Bus and Station Van Extension projects help enhance the frequency of service in the Metrolink corridor by linking communities within the central core of Orange County. To date, the Board has approved one round of funding for bus and van extension projects, totaling over \$730,000. One project located within the City of Anaheim and three proposals within the City of Lake Forest were approved for funding by the Board on July 23, 2012. Currently, one project is in service and three projects have been canceled. The Anaheim Canyon Metrolink Station Bus Connection began service in February 2013, and provides service between the station and the Anaheim Resort area.



METROLINK GATEWAYS ▼

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



PROJECT T

Summary: This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. In addition to providing transit connections for OCTA bus service, Metrolink and Amtrak service, shuttle and charter bus service, taxis, bikes, and other public and private transportation services, ARTIC also accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, opened the facility to rail and bus service on December 6, 2014. A ribbon-cutting ceremony was held on December 8, 2014, with a grand opening celebration hosted on December 13, 2014. This facility replaced the former Anaheim Station that was located on the opposite side of the freeway in the Angel Stadium parking lot.

PROJECT U

EXPAND MOBILITY CHOICES FOR SENIORS AND PERSONS WITH DISABILITIES .

Project U expands mobility choices for seniors and persons with disabilities, and includes the Senior Mobility Program (SMP), the Senior Non-emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program. Since inception, approximately \$52 million in Project U funding has been provided under M2.

Project: Senior Mobility Program

Status: Ongoing

Contact: Curt Burlingame, Transit • (714) 560-5921

Summary: This program provides one percent of net M2 revenues to continue and expand local community transportation service for seniors under the SMP. Since inception, more than \$15.5 million and 1,820,000 boardings have been provided for seniors traveling to medical appointments, nutrition programs, shopping destinations, and senior and community center activities. This quarter, approximately \$466,000 was paid* out to the 31 participating cities during the month of November.

Project: Senior Non-emergency Medical Transportation Program

Status: Ongoing

Contact: Curt Burlingame, Transit • (714) 560-5921

Summary: This program provides one percent of net M2 revenues to supplement existing county-wide senior non-emergency medical transportation services. Since inception, nearly \$17.0 million and 652,400 SNEMT



boardings have been provided. This quarter, approximately \$492,000 in SNEMT funding was paid* to the County of Orange in the month of November.

Project: Fare Stabilization Program

Status: Ongoing

Contact: Sean Murdock, Finance • (714) 560-5685

Summary: Between years 2011-2015, one percent of net M2 revenues was dedicated to stabilize fares and provide fare discounts for bus services and specialized ACCESS services for seniors and persons with disabilities. Effective January 28, 2016, an amendment to the M2 Ordinance No. 3, adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

Approximately \$724,000* in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. During the quarter, based on 3,316,000 program-related boardings recorded on fixed route and ACCESS services, approximately \$868,000 was utilized. Since inception of the program, more than \$19.4 million and 89,700,000 program-related boardings have been provided.

*Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.

COMMUNITY BASED TRANSIT/CIRCULATORS ▼

Status: Service Updates

Contact: Joseph Alcock, Planning • (714) 560-5372

PROJECT V

Summary: This project establishes a competitive program for local jurisdictions to develop local bus transit services such as community based circulators and shuttles that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. On June 24, 2013, the Board approved the first round of funding for \$9.8 million to fund five projects from the cities of Dana Point, Huntington Beach, La Habra, Laguna Beach, and Lake Forest. Funding was approved to implement vanpool services from local employment centers to transportation hubs, special event and seasonal services that operate during heavy traffic periods, and local community circulators that carry passengers between various shopping, medical, and transportation-related centers.

On June 13, 2016 the Board approved the second round of Project V funding in the amount of \$26.7 million



for 17 transit service projects and \$323,780 for seven planning studies. OCTA staff has completed agreements with the local agencies to implement these projects. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of these services against performance measures adopted by the Board. To date, the City of Garden Grove's planning study has been canceled and the City of Westminster's Little Saigon Shuttle and the City of La Habra Express services have been discontinued. Staff will continue to monitor these services to ensure the performance standards are met and will provide reports to the Board on a regular basis. In December 2017, OCTA staff requested letters from local agencies to determine interest for a future round of Project V funding. Thirteen cities sent letters of interest. Staff will bring a recommendation to move forward on a third Call for Projects to the Board in early 2018 for consideration.

SAFE TRANSIT STOPS ▼

PROJECT W

Status: City-Initiated Improvements Underway or Complete; Mobile Ticketing in Use

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: This project provides funding for passenger amenities at the 100 busiest transit stops across the County, determined by average daily weekday passenger boardings. Stop improvements are designed to ease transfers between bus lines and provide passenger amenities such as improved shelters and lighting. On July 14, 2014, the Board determined that 80 percent of available Project W funding (\$4.47 million) would be designated for supporting city-initiated projects, and the remaining 20 percent (\$1.12 million) would be directed towards the development and implementation of regional, customer-facing technologies that benefit the 100 busiest stops. On the same date, the Board approved up to \$1,205,666 for city-initiated improvements and \$370,000 for OCTA-initiated improvements in fiscal year 2014-15.

The City of Anaheim was not able to implement the improvements for their projects and will reapply for funds during the next Call for Projects. The cities of Irvine, Westminster, Costa Mesa, Orange, and Brea have completed their projects. The City of Santa Ana awarded their contract in June 2016 and anticipate completed installation of the shelters and other amenities by January 2018. Staff will continue to monitor and report on progress.

For OCTA-initiated improvements, the \$370,000 investment has been contributed towards a mobile ticketing application (app) that will make it more convenient for bus customers to purchase bus passes, obtain trip information, and board buses by allowing riders to use their smart phones to display proof of payment or "mobile ticketing." The smart phone app was successfully launched on June 15, 2016, for OC Fair and Express Bus users and went system-wide in February 2017 - expanding mobile ticketing to include regular fixed route, college pass, and reduced fare purchases (for seniors and persons with disabilities).

CLEAN UP HIGHWAY AND STREET RUNOFF THAT POLLUTES BEACHES ▼

Project: Environmental Cleanup Program

Status: Ongoing

Contact: Dan Phu, Planning • (714) 560-5907

PROJECT X

Summary: This program implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff. It is intended to augment, not replace existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs. The ECAC is charged with making recommendations to the Board on the allocation of funds for the ECP. These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation-related pollution.

Project X is composed of a two-tiered funding process focusing on early priorities (Tier 1), and a second program designed to prepare for more comprehensive capital investments (Tier 2). To date, there have been seven rounds of funding under the Tier 1 grants program. A total of 154 projects, amounting to approximately \$20.1 million, have been awarded by the Board since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. To date, 33 of the 34 Orange County cities plus the County of Orange have received funding under this program. Board approval of the release of the eighth Tier 1 Call for Projects is anticipated in spring 2018 in the amount of approximately \$2.8 million.

Staff has estimated that over 602 million cubic feet of trash have been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. This is equivalent to over 2,600 forty-foot shipping containers. Over time, the volume of trash captured is expected to increase. It is estimated that the funded Tier 2 projects, once fully functional, will have an annual groundwater recharge potential of approximately 157 million gallons of water from infiltration or through pumped and treated recharge facilities.

Staff continues to work with the ECAC and the County of Orange to recommend the appropriate timing for the next Tier 2 Call for Projects.

FREEWAY MITIGATION ▼

Project: Environmental Mitigation Program

Status: Biological Permits Issued and Conservation Plan in Place

Contact: Dan Phu, Planning • (714) 560-5907

Summary: On June 19, 2017, the United States Fish and Wildlife Service, and the California Department of Fish and Wildlife (Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and



associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies. As a result, the environmental process will be streamlined allowing OCTA to move forward with the M2 freeway projects (as described in the Conservation Plan) with little additional coordination from the Wildlife Agencies. The Conservation Plan also includes a streamlined process for coordination with CDFW for streambed alteration agreements will also be reduced. This is needed for portions of freeway projects that cross through streams and riverbeds. The OCTA Conservation Plan is unique as it is only the second state/federal conservation plans approved in Orange County.

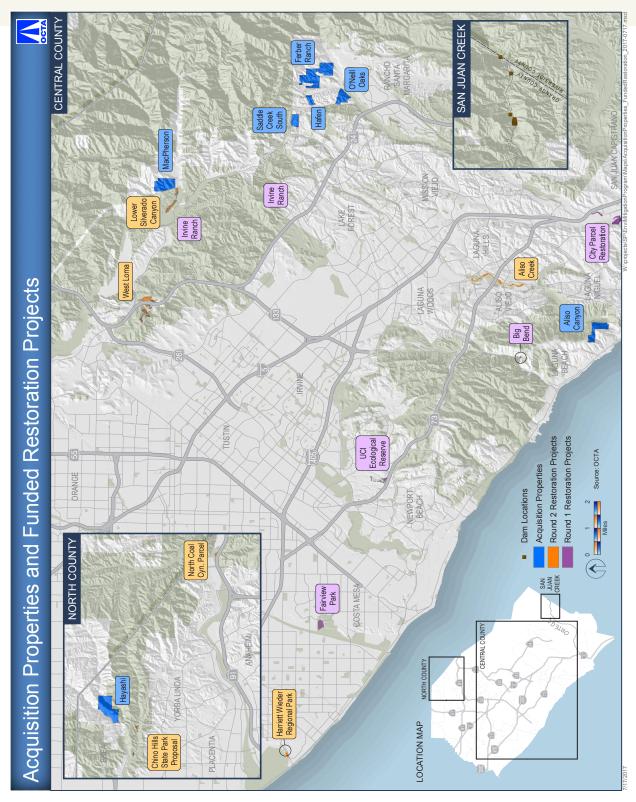
The program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 12 restoration projects approved for funding by the Board, totaling approximately 350 acres. The restoration project plans have been approved by the wildlife agencies and are currently at various stages of implementation. The Board authorized \$42 million (inclusive of setting aside funds for long-term land management) for property acquisitions, \$10.5 million to fund habitat restoration activities, and \$2.5 million for conservation plan development and program support, for a total of approximately \$55 million.

As part of the Conservation Plan requirement, an endowment has been established to pay for the long-term management of the Preserves. It is estimated that it will take up to fifteen years to fully fund the endowment, deposits are made on a fiscal year (July 1 through June 30) basis. As anticipated, the first annual deposit of \$2.9 million for the endowment was made in early 2017. A second deposit was made in August 2017. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

To date, five of the seven Preserve resource management plans (RMPs) have been completed and were finalized in September 2017. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. OCTA publicly released the remaining two RMPs on August 31, 2017. These two RMPs were available for review and comment for a 90-day period (comment deadline was December 1, 2017). In September, the Board authorized funding to advance the streamlined federal clean water permitting requirements administered by the United States Army Corps of Engineers (Corps). Concurrently, OCTA has been working with the State Water Resources Control Board (State Board) to comply with the state clean water permit requirements. On December 18, the Corps issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). These efforts are the result of years of collaboration between OCTA, the Corps, and State Board, and constitute another groundbreaking milestone for the M2 Environmental Mitigation Program. Staff will continue to monitor the progress of all restoration projects and provide status updates to the Environmental Oversight Committee (EOC) until each project is implemented. A list of scheduled 2017 wilderness Preserve hiking and equestrian riding tours is available on the M2 website at www.PreservingOurLegacy.org.

As part of the safeguards in place for the M2 Program, a 12-member EOC makes recommendations on the allocation of environmental freeway mitigation funds and monitors the implementation of the Conservation Plan between OCTA and state and federal Wildlife Agencies. The EOC has led efforts with policy recommendations to the Board and has operated in an open and transparent manner that has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens.

See map of Preserves and funded restoration properties on the following page.







PROGRAM MANAGEMENT OFFICE ▼

Contact: Tami Warren, PMO Manager • (714) 560-5590

The M2 PMO provides inter-divisional coordination for all M-related projects and programs. To ensure agency-wide compliance, the PMO holds a bi-monthly committee meeting comprised of executive directors and key staff from each of the divisions, who meet to review significant issues and activities within the M2 programs. This quarter, the focus of the PMO has been on several major items, including the following.

Next 10 Delivery Plan

On September 11, 2017, the Board received a presentation on the 2017 sales tax revenue forecast of \$13.5 billion which is \$700 million lower than the 2016 forecast of \$14.2 billion. In response to the lower 2017 revenue forecast, staff reviewed the Next 10 Delivery Plan and updated the revenue, bonding assumptions, project costs and schedules, and identified adjustments needed to ensure continued delivery of the M2 projects and programs.

On November 13, 2017, the Board of Directors adopted the updated Next 10 Delivery Plan providing staff guidance on the delivery of M2 projects and programs between 2017 and 2026. Per the Board's direction, the cash flow includes net excess 91 Express Lanes revenue within the freeway program for projects on the 91 corridor, in an amount not to exceed the total cost of Project I, between State Route 55 (SR-55) and State Route 57, and Project J, between SR-55 and the Riverside County line. While the adopted Next 10 cash flow assumed \$463 million, which was less than the total of the two projects and only the amount needed at the time, with the additional revenue reduction in the freeway program, the revised cash flow now assumes the full cost of the two projects, which is estimated at \$748 million. These changes, along with revised bonding assumptions, result in a delivery plan that remains tight but solvent.

M2/OC Go Awareness and Signage

Due to the 2012-2015 M2 Performance Assessment findings regarding a lack of M2 awareness and public perception, staff began developing M2 Signage Guidelines. These uniform guidelines were intended to detail signage procedures for each of the M2 programs (Freeway, Streets & Roads, Transit, and Environmental projects) and were designed to create a common brand across all modes. The effort was stalled due to concern over the continued use of Measure M in Orange County following the passage of LA Metro's "Measure M". Using information gleaned from focus groups conducted in 2016 and the existing Board-approved family of OCTA logos, staff presented OC Go to externally replace Measure M for the Board's for consideration. On September 25, 2017, the Board approved the OC Go identity and signage designs. During this quarter, Caltrans approved OC Go highway funding signs for use on projects with OCTA funding on the California State Highway System within Orange County and the public will see the first signs on the I-405 Improvement Project next quarter. Funding signs for local streets and roads projects were also finalized and will be incorporated in to future projects. Staff will complete work on the OC Go Signage Guidelines and initiate the OC Go Public Awareness Program to inform OCTA's stakeholders of the change in Measure M. While a full transition from M2 to OC Go will take time, staff anticipates it will be substantially transitioned during 2018.



OCTA Monitoring Structure for Federal Compliance

As a recipient and a "pass-through" agency of FTA and FHWA funding, OCTA is responsible for complying with all federal regulations. This evaluation is important to M2 projects and programs that are funded with federal monies, ensuring compliance requirements are met and internal protocols are completed efficiently. In June, OCTA selected Sjoberg Evashenk, Inc. to conduct a review of OCTA's monitoring structure for federal compliance. The goal is to look for efficiencies and determine a preferred structure that works in OCTA's environment. During this quarter, the consultant wrapped up their peer review of similar agencies (San Diego Association of Governments, Arizona Department of Transportation, Valley Metro Regional Public Transportation Authority, and Santa Clara Valley Transportation Authority), and developed preliminary findings and submitted a draft report to OCTA. A final report is expected in early 2018.

Market Conditions Forecast and Risk Analysis

Last quarter, the Board was presented with a Next 10 Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet. The consultant's analysis identified a strong potential for OCTA to experience an increasing cost environment during the Next 10 delivery years. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of M2 and Next 10.

Given this analysis, the Board directed staff to continue to work with the consultant to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax revenue forecast. Working with the consultant, a scope of the monitoring and tracking effort to be conducted. The scope includes providing presentations on a summary of findings from the monitoring effort to the Board biannually and, if noteworthy, more frequent updates will be provided through these M2 quarterly progress reports

M2 Administrative Safeguards

M2 includes a one percent cap on administrative expenses for salaries and benefits of OCTA administrative staff on an annual basis. In a legal opinion on M2, it was determined that in years where administrative salaries and benefits are above one percent, only one percent can be allocated with the difference borrowed from other, non-M2 fund sources. Conversely, in years where administrative salaries and benefits are below one percent, OCTA can still allocate the full one percent for administrative salaries and benefits but may use the unused portion to repay the amount borrowed from prior years in which administrative salaries and benefits were above one percent.

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (currently \$13.5 billion or 44 percent lower) as a result of economic conditions, the funds available to support administrative salaries and benefits have also declined from the original expectations. While revenue has declined, the administrative effort needed to deliver M2 remains the same. Additionally, the



initiation of the Early Action Plan (EAP) in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.

As a result of the aforementioned factors, OCTA has incurred higher than one percent administrative costs. OCTA currently has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. As of June 30, 2012, OCTA had borrowed approximately \$5.2 million from OCUTT. Over the last few years, OCTA has experienced under-runs in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of the most recent December 2017 Taxpayer Oversight Committee Report, the outstanding balance was \$1.8 million.

Staff continues to meet quarterly to review all labor costs to ensure proper cost allocation under M2. After the quarter ended, staff met on January 17, 2018 to review labor reports for this quarter to ensure costs attributed to the one percent cap were accurately reported and there were no misplaced project related costs, as well as to ensure project costs were applied to the correct projects. Staff will meet again on April 18, 2018, to conduct this quarterly review.

Taxpayer Oversight Committee

The M2 Ordinance requires a Taxpayer Oversight Committee (TOC) to oversee the implementation of the M2 plan and ensure compliance with all requirements of Measure M2 Ordinance No. 3. With the exception of the elected Auditor/Controller of Orange County who is identified as the chair of the TOC in Ordinance, all other members are not elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Orange County Grand Jurors Association, and are selected from the qualified pool by lottery. The TOC meets every other month. The TOC upholds the integrity of the measure by monitoring the use of M2 funds and ensuring compliance. The responsibilities of the 11-member Measure M2 TOC are to:

- •Ensure all transportation revenue collected from M2 is spent on the projects approved by the voters as part of the plan
- •Ratify any changes in the plan and recommend any major changes go back to the voters for approval
- •Participate in ensuring that all jurisdictions in Orange County conform with the requirements of M2 before receipt of any tax monies for local projects
- •Hold annual public meetings regarding the expenditure and status of funds generated by M2
- •Review independent audits of issues regarding the plan and performance of the Orange County local Transportation Authority regarding the expenditure of M2 sales tax monies
- •Annually certify whether M2 funds have been spent in compliance with the plan.



The TOC met on October 10, 2017, to review and vote on the Annual Eligibility Review Subcommittee Eligibility Report, and to hear presentations on the I-405 Improvement Project, the most recent M2 sales tax forecasts and the Next 10 Market Conditions and Risk Analysis. OCTA staff also provided the committee with information on OC Go, the new public-facing Measure M identity. The December 12, 2017, TOC meeting was canceled.

Two subcommittees have been formed to assist the TOC with their safeguard responsibilities: the Annual Eligibility Review (AER) Subcommittee and the Audit Subcommittee. The AER Subcommittee meets a few times per year, as needed, to ensure local jurisdictions have submitted the following documents in order to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Traffic Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. The Audit Subcommittee meets bi-monthly and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the Annual M2 Audit, as well as any other items related to M2 audits.

M2 FINANCING AND SCHEDULE OF FUNDING ▼

Contact: Sean Murdock, Finance • (714) 560-5685

Revenue Forecast and Collection

OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of M2 taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. This methodology includes a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. Historically, MuniServices, Inc. has been more conservative than the three universities over the first five years of M2 revenue collection (2011-2016).

Revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the State Board of Equalization a fee to collect the sales tax. The M2 Ordinance estimated this fee to be 1.5 percent of the revenues collected over the life of the program.



Current Forecast

Based on long term forecasts received in July 2017, OCTA staff forecasts total nominal sales tax collections over the life of M2 to be approximately \$13.5 billion. Original projections in 2005 estimated total nominal M2 sales tax collections at \$24.3 billion. Based on the current estimated forecast of \$13.5 billion, sales tax revenue will run approximately \$10.8 billion (44.5 percent) less than the original 2005 projection. The revenue forecast for the life of the M2 Program will vary as actual sales tax revenue data is incorporated.

Final sales tax receipts through the first quarter of fiscal year 2017-18 (September 30, 2017) were received at the end of the second quarter (December 2017) and reflected a growth in sales tax revenue of 3.82 percent over the same period of the prior fiscal year. The growth is slightly greater than the budgeted sales tax growth rate of 3.3 percent for fiscal year 2017-18. Staff will continue to closely monitor sales tax receipts.



(\$ in thousands)		Quarter Ended Dec 31, 2017		Year to Date Dec 31, 2017		Period from Inception to Dec 31, 2017
,		· ·		(A)		(B)
Revenues:						
Sales taxes	\$	83,754	\$	161,752	\$	1,920,841
Other agencies' share of Measure M2 costs:		21 010		45 624		501.076
Project related Non-project related		21,818		45,624		591,976 454
Interest:						404
Operating:						
Project related		280		342		470
Non-project related		2,137		4,666		23,729
Bond proceeds Debt service		- 31		823 49		45,717 172
Commercial paper		-		-		393
Right-of-way leases		-		_		907
Proceeds on sale of assets held for resale		2,075		2,075		8,879
Donated assets held for resale		-		-		2,071
Miscellaneous:						070
Project related Non-project related		-		-		270 100
Non-project related		-	_	-	_	100
Total revenues		110,095		215,331		2,595,979
Expenditures:						
Supplies and services:						
State Board of Equalization (SBOE) fees		901		1,801		21,292
Professional services:		0.444		0.000		000.050
Project related Non-project related		9,141 1,949		9,292 2,031		320,650 19,229
Administration costs:		1,949		2,031		19,229
Project related		2,228		4,457		57,914
Non-project related:		_,		.,		,
Salaries and Benefits		640		1,280		21,280
Other		1,235		2,470		34,048
Other:				_		4 OE 4
Project related Non-project related		22		5 43		4,854 3,935
Payments to local agencies:		22		70		3,333
Project related		22,659		43,829		775,103
Capital outlay:						
Project related		69,530		116,419		747,386
Non-project related		-		-		31
Debt service: Principal payments on long-term debt						24 560
Interest on long-term debt and		-		-		34,560
commercial paper		10		10,529		147,408
Total expenditures		108,315		192,156		2,187,690
Total experiances		100,010		102,100	_	2,101,000
Excess (deficiency) of revenues						
over (under) expenditures		1,780		23,175		408,289
Other financing sources (uses):						
Transfers out:						
Project related		(2,786)		(3,654)		(33,571)
Transfers in:						
Project related Non-project related		-		1,973		81,481
Bond proceeds		-		(1,973)		358,593
Bona proceeds			_		_	330,333
Total other financing sources (uses)		(2,786)		(3,654)	_	406,503
Excess (deficiency) of revenues						
over (under) expenditures						
and other sources (uses)	\$	(1,006)	\$	19,521	\$	814,792
a oo. ooa.ooo (aooo)	-	(1,000)	<u> </u>	. 0,0= 1	<u> </u>	,



(\$ in thousands)	 arter Ended ec 31, 2017 (actual)	Year to Date Dec 31, 2017 (actual)	l	Period from Inception through Dec 31, 2017 (actual)		Period from January 1, 2018 through March 31, 2041 (forecast)		Total
		(C.1)		(D.1)		(E.1)		(F.1)
Revenues:								
Sales taxes	\$ 83,754	\$ 161,752	\$	1,920,841	\$	11,568,278	\$	13,489,119
Operating interest	 2,137	 4,666		23,729		172,604		196,333
Subtotal	 85,891	 166,418	_	1,944,570		11,740,882		13,685,452
Other agencies share of M2 costs	_	_		454		_		454
Miscellaneous	_	_		100		_		100
Total revenues	 85,891	 166,418		1,945,124		11,740,882		13,686,006
Administrative expenditures:								
SBOE fees	901	1,801		21,292		173,594		194,886
Professional services	1,949	2,031		15,453		82,153		97,606
Administration costs :								
Salaries and Benefits	640	1,280		21,280		115,664		136,944
Other	1,235	2,470		34,048		192,141		226,189
Other	22	43		3,935		22,294		26,229
Capital outlay	-	-		31		-		31
Environmental cleanup	2,528	3,022		31,361		231,329		262,690
Total expenditures	7,275	10,647	_	127,400		817,175		944,575
Net revenues	\$ 78,616	\$ 155,771	\$	1,817,724	\$	10,923,707	\$	12,741,431
		(C.2)		(D.2)		(E.2)		(F.2)
Bond revenues:								
Proceeds from issuance of bonds	\$ -	\$ -	\$	358,593	\$	1,885,000	\$	2,243,593
Interest revenue from bond proceeds	-	823		45,717		98,383		144,100
Interest revenue from debt service funds	31	49		172		4,739		4,911
Interest revenue from commercial paper	 	 	_	393		-		393
Total bond revenues	31	872		404,875		1,988,122		2,392,997
Financing expenditures and uses:				2.772		40.405		40.074
Professional services	-	-		3,776		13,195		16,971
Bond debt principal	-	-		34,560		2,199,123		2,233,683
Bond debt and other interest expense	 10	 10,529	_	147,408		995,101		1,142,509
Total financing expenditures and uses	 10	 10,529	_	185,744	_	3,207,419	_	3,393,163
Net bond revenues (debt service)	\$ 21	\$ (9,657)	\$	219,131	\$	(1,219,297)	\$	(1,000,166)



		Net Revenues		
		through		Total
Project	Description	Dec 31, 2017	N	let Revenues
	(G)	(H)		(1)
	(\$ in thousands)			
	Freeways (43% of Net Revenues	5)		
Α	I-5 Santa Ana Freeway Interchange Improvements	\$ 71,644	\$	502,207
В	I-5 Santa Ana/SR-55 to El Toro	45,762		320,770
С	I-5 San Diego/South of El Toro	95,579		669,963
D	I-5 Santa Ana/San Diego Interchange Upgrades	39,329		275,679
Ε	SR-22 Garden Grove Freeway Access Improvements	18,293		128,223
F	SR-55 Costa Mesa Freeway Improvements	55,792		391,079
G	SR-57 Orange Freeway Improvements	39,436		276,426
Н	SR-91 Improvements from I-5 to SR-57	21,341		149,593
I	SR-91 Improvements from SR-57 to SR-55	63,490		445,039
J	SR-91 Improvements from SR-55 to County Line	53,689		376,333
K	I-405 Improvements between I-605 to SR-55	163,535		1,146,310
L	I-405 Improvements between SR-55 to I-5	48,734		341,606
M	I-605 Freeway Access Improvements	3,049		21,370
N	All Freeway Service Patrol	22,866		160,278
	Freeway Mitigation	39,081		273,941
	Subtotal Projects	781,620		5,478,817
	Net (Bond Revenue)/Debt Service	761,020		5,476,617
	- Twet (Bolid Neverlae)/ Best Service			
	Total Freeways	\$ 781,620	\$	5,478,817
	%			
	Care of and Boards Business (2007, of Not B			
	Street and Roads Projects (32% of Net R	(evenues)		
0	Regional Capacity Program	\$ 181,775	\$	1,274,159
Р	Regional Traffic Signal Synchronization Program	72,707		509,641
Q	Local Fair Share Program	327,190		2,293,457
	<u> </u>	<u> </u>		
	Subtotal Projects	581,672		4,077,257
	Net (Bond Revenue)/Debt Service	- -		_
	· · · · · · · · · · · · · · · · · · ·			-
	Total Street and Roads Projects %	\$ 581,672	\$	4,077,257



	Expenditures	Reimbursements			
	through		through		Net
I	Dec 31, 2017	С	ec 31, 2017		M2 Cost
	(J)		(K)		(L)
\$	6,263	\$	1,991	\$	4,272
	7,413		4,335		3,078
	106,625		41,418		65,207
	1,853		527		1,326
	4		-		4
	9,404		344		9,060
	46,756		11,289		35,467
	34,491		824		33,667
	19,729		2,390		17,339
	6,932		5,294		1,638
	233,667		22,643		211,024
	8,025		4,893		3,132
	1,407		16		1,391
	2,186		-		2,186
	49,851		2,355		47,496
	534,606		98,319		436,287
	38,400				38,400
\$	573,006	\$	98,319	\$	474,687
			,		35.8%
\$	685,396	\$	422,937	\$	262,459
	42,877		4,879		37,998
	307,166		77		307,089
	1,035,439		427,893		607,546
_	42,650				42,650
_	4 070 000	Φ.	407.000	Φ.	050 400
_\$	1,078,089	\$	427,893	\$	650,196
					49.0%



Project	Description (G) (\$ in thousands) Transit Projects (25% of Net Reve		Net Revenues through Dec 31, 2017 (H)	 Total Net Revenues (I)
R S T U V W	High Frequency Metrolink Service Transit Extensions to Metrolink Metrolink Gateways Expand Mobility Choices for Seniors and Persons with Disabilities Community Based Transit/Circulators Safe Transit Stops Subtotal Projects Net (Bond Revenue)/Debt Service	\$	168,703 160,463 27,646 57,263 36,345 4,012 454,432	\$ 1,270,769 1,124,773 65,124 441,811 254,761 28,119 3,185,357
	Total Transit Projects % Measure M2 Program	\$	1,817,724	\$ 3,185,357
	Environmental Cleanup (2% of Rev	enue/	es)	
X	Clean Up Highway and Street Runoff that Pollutes Beaches Net (Bond Revenue)/Debt Service	\$	38,891	\$ 273,709
	Total Environmental Cleanup	\$	38,891	\$ 273,709
	Taxpayer Safeguards and Aud Collect Sales Taxes (1.5% of Sales Taxes) %	lits \$	28,813	\$ 202,337
	Oversight and Annual Audits (1% of Revenues) %	\$	19,446	\$ 136,855



	Expenditures	F	Reimbursement		
	through		through	Net	
	Dec 31, 2017		Dec 31, 2017		M2 Cost
	(J)		(K)		(L)
\$	165,877	\$	95,932	\$	69,945
Ψ	15,484	Ψ	2,133	Ψ	13,351
	98,212		60,956		37,256
	00,212		00,000		07,200
	53,467		88		53,379
	4,757		415		4,342
	275		26		249
	338,072		159,550		178,522
	23,852				23,852
	_		_		
\$	361,924	\$	159,550	\$	202,374
					15.2%
\$	2,013,019	\$	685,762	\$	1,327,257
Ť	2,0.0,0.0	Ť	000,102	Ť	.,02.,20.
\$	31,361	\$	292	\$	31,069
Ψ	01,001	Ψ		Ψ	01,000
	-		-		-
_					
\$	31,361	\$	292	\$	31,069
					1.6%
\$	21,292	\$		\$	21,292
					1.1%
\$	21,280	\$	1,834	\$	19,446
					1.0%



M2 Funds							
ENTITY	2nd Quarter FY 2017/18	FUNDS TO DATE					
ALISO VIEJO	\$110,211	\$3,804,516					
ANAHEIM	\$973,916	\$33,114,470					
BREA	\$155,700	\$5,523,675					
BUENA PARK	\$235,866	\$8,767,107					
COSTA MESA	\$405,346	\$13,933,448					
CYPRESS	\$143,692	\$5,150,410					
DANA POINT	\$95,306	\$3,153,553					
FOUNTAIN VALLEY	\$171,034	\$6,015,651					
FULLERTON	\$359,875	\$12,538,276					
GARDEN GROVE	\$411,940	\$14,367,544					
HUNTINGTON BEACH	\$536,505	\$18,697,256					
IRVINE	\$774,303	\$25,526,039					
LAGUNA BEACH	\$72,065	\$2,454,523					
LAGUNA HILLS	\$94,346	\$3,286,453					
LAGUNA NIGUEL	\$184,706	\$6,461,335					
LAGUNA WOODS	\$34,615	\$1,236,861					
LA HABRA	\$144,167	\$5,097,539					
LAKE FOREST	\$221,878	\$7,570,593					



ENTITY	2nd Quarter FY 2017/18	FUNDS TO DATE
LA PALMA	\$41,576	\$1,641,247
LOS ALAMITOS	\$36,050	\$1,249,556
MISSION VIEJO	\$256,825	\$9,041,542
NEWPORT BEACH	\$302,695	\$10,577,540
ORANGE	\$457,785	\$15,847,752
PLACENTIA	\$132,196	\$4,578,459
RANCHO SANTA MARGARITA	\$116,625	\$4,089,496
SAN CLEMENTE	\$158,987	\$5,372,634
SAN JUAN CAPISTRANO	\$104,828	\$3,660,177
SANTA ANA	\$779,536	\$26,770,359
SEAL BEACH	\$65,972	\$2,452,227
STANTON	\$82,506	\$2,902,463
TUSTIN	\$251,612	\$8,575,522
VILLA PARK	\$14,509	\$503,257
WESTMINSTER	\$237,900	\$8,242,954
YORBA LINDA	\$167,004	\$5,779,563
COUNTY UNINCORPORATED	\$537,902	\$17,762,013
TOTAL M2 FUNDS	\$8,869,977	\$305,746,008



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Non-bolded = Planned/Baseline

	Cost	Schedule (Planned/Forecasted)					
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Begin Design	Begin Construction	Complete Construction		
FREEWAY PROJECTS							
I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-15	Dec-17	Feb-20		
Project A Cost/Schedule Risk	\$39.9	Jun-11	Jun-15	Jul-18	Sep-20		
I-5, I-405 to SR-55	TBD	May-14	TBD	TBD	TBD		
Project B	TBD	May-14	TBD	TBD	TBD		
I-5, Avenida Pico to Avenida Vista Hermosa	\$113.0	Jun-09	Jun-11	Dec-14	Aug-18		
Project C	\$85.8	Jun-09	Jun-11	Dec-14	Apr-18		
I-5, Avenida Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Jun-11	Dec-13	Mar-17		
Project C	\$71.4	Jun-09	Jun-11	Jun-14	Jul-17		
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Jun-11	Oct-13	Sep-16		
Project C Cost/Schedule Risk	\$71.2	Jun-09	Jun-11	Dec-13	Apr-18		
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Mar-15	Dec-18	Jan-24		
Project C & D Cost/Schedule Risk	\$190.5	Oct-11	Mar-15	Oct-19	Oct-24		
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Nov-14	Jun-18	Feb-23		
Project C & D Cost/Schedule Risk	\$191.0	Oct-11	Nov-14	Dec-18	Aug-23		
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Mar-15	May-19	Jun-23		
Project C Cost/Schedule Risk	\$166.5	Oct-11	Mar-15	Apr-20	May-24		
I-5, El Toro Road Interchange	TBD	Apr-17	TBD	TBD	TBD		
Project D	TBD	Apr-17	TBD	TBD	TBD		
I-5, Ortega Interchange	\$90.9	Sep-05	Jan-09	Aug-12	Sep-15		
Project D	\$75.1	Sep-05	Jan-09	Aug-12	Jan-16		

^{*}Status through December 2017. For detailed project information, please refer to the individual project section within this report.



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	Cost	Schedule (Planned/Forecasted)					
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Begin Design	Begin Construction	Complete Construction		
I-5, Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A		
Project D	N/A	N/A	Jan-14	Sep-15	Sep-16		
SR-55, I-405 to I-5	TBD	Feb-11	TBD	Jul-21	Aug-25		
Project F Cost/Schedule Risk	\$410.9	May-11	Sep-17	Jul-21	Aug-25		
SR-55, I-5 to SR-91	TBD	Dec-16	TBD	TBD	TBD		
Project F	TBD	Dec-16	TBD	TBD	TBD		
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	TBD	TBD	TBD		
Project G	TBD	Apr-16	TBD	TBD	TBD		
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-08	Aug-11	Sep-14		
Project G	\$38.5	Apr-08	Aug-08	Oct-11	Apr-15		
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A		
Project G	N/A	N/A	May-09	Sep-17	Oct-18		
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Feb-08	Oct-10	May-14		
Project G	\$52.6	Aug-05	Feb-08	Oct-10	Nov-14		
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Feb-08	Oct-10	Sep-14		
Project G	\$55.5	Aug-05	Feb-08	Oct-10	May-14		
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A		
Project G	N/A	N/A	Oct-14	Mar-18	May-19		
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD		
Project G Cost/Schedule Risk	TBD	Jul-20	TBD	TBD	TBD		

^{*}Status through December 2017. For detailed project information, please refer to the individual project section within this report.



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	Cost	Sc	hedule (Plann	ed/ Forecaste	ed)
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Begin Design	Begin Construction	Complete Construction
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Oct-09	Nov-12	Apr-16
Project H	\$59.7	Jul-07	Mar-10	Jan-13	Jun-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	Nov-14	Mar-17	Nov-17
SR-91, SR-55 to SR-57	TBD	Jan-15	TBD	TBD	TBD
Project I Cost/Schedule Risk	TBD	Jan-15	TBD	TBD	TBD
SR-91 (WB), SR-55 to Tustin Avenue Interchange	\$49.9	Jul-08	Jul-11	Oct-13	Jul-16
Project I	\$42.8	Jul-08	Jun-11	Oct-13	Jul-16
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jun-09	Sep-11	Dec-12
Project J	\$79.6	Jul-07	Apr-09	May-11	Mar-13
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	May-12	Oct-13	Feb-15
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Jul-07	Jul-09	Nov-10
Project J	\$57.8	Mar-05	Jul-07	Aug-09	Jan-11
I-405, SR-73 to I-605 (Design-Build)	\$1,900.0	Mar-09	Mar-14	Nov-16	May-23
Project K	\$1,900.0	Mar-09	Mar-14	Nov-16	May-23
I-405, I-5 to SR-55	TBD	Dec-14	TBD	TBD	TBD
Project L	TBD	Dec-14	TBD	TBD	TBD
I-605, I-605/Katella Interchange	TBD	Aug-16	TBD	TBD	TBD
Project M	TBD	Aug-16	TBD	TBD	TBD

^{*}Status through December 2017. For detailed project information, please refer to the individual project section within this report.



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Non-bolded = Planned/Baseline

Canital Duainete*	Cost	Cost Schedule (Planned/Forecast				
Capital Projects*	Forecast (in millions)	Begin Environmental	Begin Design	Begin Construction	Complete Construction	
GRADE SEPARATION PROJECTS						
Kraemer Boulevard Railroad Grade Separation (Placentia)	\$70.4	Jan-01	Jan-09	Aug-11	Oct-14	
Project O	\$63.4	Jan-01	Feb-09	Sep-11	Dec-14	
Lakeview Avenue Railroad Grade Separation (Anaheim/Placentia)	\$70.2	Jan-01	Feb-09	May-13	Mar-17	
Project O	\$107.4	Jan-01	Feb-09	Nov-13	Jun-17	
Orangethorpe Avenue Railroad Grade Separation (Anaheim/Placentia)	\$117.4	Jan-01	Feb-09	May-12	Sep-16	
Project O	\$108.6	Jan-01	Feb-09	Jan-13	Oct-16	
Placentia Avenue Railroad Grade Separation (Placentia)	\$78.2	Jan-01	Jan-09	Jun-11	Nov-14	
Project O	\$64.6	Jan-01	Jan-09	Jul-11	Dec-14	
Raymond Avenue Railroad Grade Separation (Fullerton)	\$77.2	Feb-09	Mar-10	May-13	Aug-18	
Project O Cost/Schedule Risk	\$124.8	Feb-09	Mar-10	Feb-14	Aug-18	
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jul-06	May-13	May-18	
Project O Cost/Schedule Risk	\$97.0	Dec-08	Jul-06	Feb-14	Jan-18	
Tustin Avenue/Rose Drive Railroad Grade Separation (Anaheim/Placentia)	\$103.0	Jan-01	Feb-09	Aug-12	May-16	
Project O	\$98.3	Jan-01	Feb-09	Feb-13	Oct-16	
Sand Canyon Avenue Railroad Grade Separation (Irvine)	\$55.6	N/A	Jan-04	Feb-11	May-14	
Project R	\$61.8	N/A	Jan-04	Feb-11	Jan-16	
17th Street Railroad Grade Separation	TBD	Oct-14	TBD	TBD	TBD	
Project R	TBD	Oct-14	TBD	TBD	TBD	

^{*}Status through December 2017. For detailed project information, please refer to the individual project section within this report.



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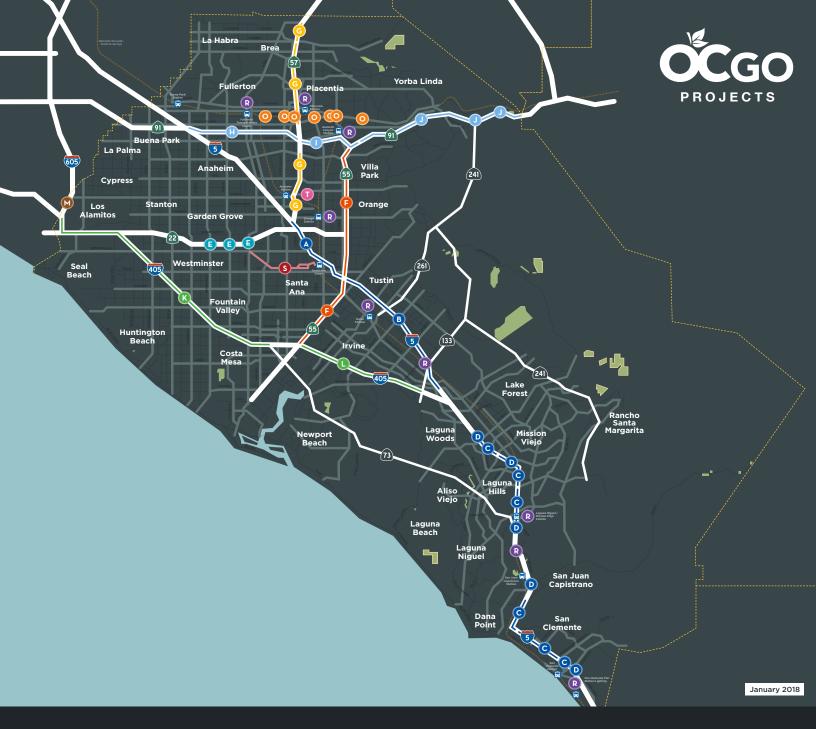
Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

Control Desired *	Cost Budget/ Forecast (in millions)	Schedule (Planned/Forecasted)			
Capital Projects*		Begin Environmental	Begin Design	Begin Construction	Complete Construction
RAIL AND STATION PROJECTS					
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Jan-08	Aug-09	Dec-11
Project R	\$90.4	Jan-08	Jan-08	Aug-09	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Feb-12	Oct-12	Jan-14
Project R	\$5.0	Sep-10	Feb-12	May-13	Mar-14
Anaheim Canyon Metrolink Station	\$27.9	Jan-16	TBD	TBD	TBD
Project R	\$27.9	Jan-16	Feb-18	Sep-19	Dec-20
Fullerton Transportation Center - Elevator Improvements	\$3.5	N/A	Jan-12	Sep-14	Mar-17
Proect R Cost/Schedule Risk	\$4.6	N/A	Jan-12	Apr-15	Sep-18
Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act Ramps	\$3.5	Jul-13	Jul-13	Jan-15	Apr-17
Project R	\$5.2	Jul-13	Jul-13	Oct-15	Sep-17
Orange Transportation Center Metrolink Parking Structure	\$33.2	Dec-09	Nov-10	Nov-16	Feb-19
Project R Cost/Schedule Risk	\$32.3	Dec-09	Nov-10	Jun-17	Feb-19
Placentia Metrolink Station Improvements and Parking Structure	\$34.8	Jan-03	Oct-08	TBD	TBD
Project R Cost/Schedule Risk	\$34.8	Jan-03	Oct-08	Nov-18	Jun-20
Laguna Niguel to San Juan Capistrano Metrolink Station Passing Siding	\$25.3	Aug-11	Mar-15	Dec-16	Jan-19
Project R Cost/Schedule Risk	\$30.8	Aug-11	Mar-15	Nov-18	Dec-20
Anaheim Regional Transportation Intermodal Center (ARTIC)	\$227.4	Apr-09	Jun-09	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Jun-09	Sep-12	Dec-14

^{*}Status through December 2017. For detailed project information, please refer to the individual project section within this report.





FREEWAY IMPROVEMENT PROGRAM

Interstate 5 (I-5) Projects

- (A) I-5, SR-55 to SR-57
- B I-5, El Toro "Y" Area to SR-55
- C I-5, SR-73 to El Toro Road
- C I-5, Avenida Pico to San Juan Creek Road
- D I-5 Highway Interchanges

State Route 22 (SR-22) Projects

E SR-22 Access Improvements

State Route 55 (SR-55) Projects

- **SR-55**, I-405 to I-5
- (F) SR-55, I-5 to SR-91

State Route 57 (SR-57) Projects

- G SR-57 NB, Orangewood Avenue to Katella Avenue
- © SR-57 NB, Katella Avenue to Lincoln Avenue
- G SR-57 NB, Orangethorpe Avenue to Lambert Road
- SR-57 NB, Lambert Road to Tonner Canyon Road

State Route 91 (SR-91) Projects

- R-91 WB, I-5 to SR-57
- SR-91, SR-57 to SR-55
- SR-91, SR-55 to Riverside County Line

Interstate 405 (I-405) Projects

- K I-405, I-605 to SR-73
- L I-405, SR-55 to El Toro "Y" Area

Interstate 605 (I-605) Projects

- M I-605 Katella Interchange Improvements
- Freeway Mitigation Restoration Projects
 Part of Projects A-M
- Freeway Mitigation Acquisition Projects
 Part of Projects A-M

STREETS & ROADS

- Grade Separation Program (shown)

TRANSIT PROJECTS

- R Grade Separation and Station Improvement Projects
- S Transit Extensions to Metrolink
- Metrolink Station Conversion to accept Future High-Speed Rail Systems

OC GO PROJECTS NOT SHOWN

Project N: Freeway Service Patrol

Project 0: Streets & Roads -Regional Capacity Program

Project Q: Local Fair Share Program

Project R: Grade crossing and

Project U: Senior Mobility Program (SMP), Senior Non-emergency Medical Transportation Program (SNEMT), and Fare Stabilization Programs

Project V: Community Based Transit/Circulators

Project W: Safe Transit Stops

Project X: Environmental Cleanup Program

Tracking and Reporting Market Forecast Indicators Work Plan December 2017

Background and Purpose

The Orange County Transportation Authority (OCTA) engages independent consultants and advisors who track estimated projected sales tax revenues on a regular basis. At the request of the OCTA Board of Directors, the following work plan was developed to provide OCTA with regular updates on cost factors beyond the existing cost analyses from the California Department of Transportation (Caltrans) Construction Cost Index (CCI) and internal OCTA analyses. This proposal responds to OCTA's request for a scope of work to track cost factors on a biannual basis, and builds on the unique capabilities and work in the recent market conditions analysis delivered to OCTA by the Orange County Business Council (OCBC) in 2017.

Scope of Work

OCBC will track multiple key indicators to provide OCTA with a clear, easy to use time series data collection and analysis tool/dashboard to help OCTA understand the relevance and likely direction of cost factors that relate to public works construction. The OCBC market conditions analysis identified several risk factors which may cause cost pressures to diverge from past relationships between the Caltrans CCI and building permits and the state unemployment rate. OCBC will develop an index from a combination of data, gathered at quarterly frequencies (as available). Possible data items include:

- Data on labor and materials unit costs and number of bidders from bids submitted to OCTA on a periodic (quarterly) basis, if provided to the consultant by OCTA;
- Overall employment/unemployment trends from the California Employment Development Department (EDD);
- Data available from Caltrans on estimated vs. bid costs;
- Employment in construction jobs from Bureau of Labor Statistics' Quarterly Census of Employment and Wages, and EDD;
- Data on wages in construction jobs from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages;
- Building permit data, focused on Los Angeles, Orange, Riverside, San Bernardino counties;
- Executive opinion from the California State University Fullerton Orange County Business Expectations Survey;
- Chapman University Orange County Composite Index;
- Chapman University Consumer Sentiment Index;
- Commercial and industrial vacancies, CoStar;
- Commodity prices, focused on aggregate base, concrete and Portland cement concrete pavement, and bar and structural steel, from Caltrans (statewide) and from Los Angeles (engineering news record).

Tracking and Reporting Market Forecast Indicators Work Plan December 2017

OCBC will conduct an initial research stage that will select the specific indicators to track and develop an appropriate index that summarizes those indicators. Not all of the indicators listed above may be suitable for tracking and indexing. OCBC will assess how levels, changes, and rates of change in the indicators can provide the best insight into forecasting cost risks and cost changes.

Proposed Deliverables

OCBC will deliver to OCTA a time series of the index (a composite of the data items), a brief memo interpreting the index, and a PowerPoint presentation. These deliverables will be provided biannually, per agreement with OCTA. OCBC will be available to present these results to the OCTA board or committees of the board with each data delivery.

<u>Cost</u>

Initial setup of data and construction of index + biannual reporting: \$15,000





April 9, 2018

To: Members of the Board of Directors

Laurena Weinert, Clerk of the Board From:

Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia's Subject:

Maintenance of Effort Benchmark

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendations

- Α. Approve the fiscal year 2018-19 Measure M2 Eligibility Guidelines.
- B. Approve the proposed revisions to the Countywide Pavement Management Plan Guidelines.
- C. Approve the City of Placentia's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Fiscal Year 2018-19 Measure M2 Eligibility and Countywide

Pavement Management Plan Guidelines and City of Placentia's

Maintenance of Effort Benchmark

Overview

The Orange County Transportation Authority Ordinance No. 3 includes eligibility requirements that local jurisdictions must satisfy in order to receive Measure M funds. The Measure M2 Eligibility Guidelines and the Countywide Pavement Management Plan Guidelines are used to guide local jurisdictions through eligibility requirements and submittal processes. Updates to these guidelines are presented for Board of Directors review and approval. A proposed minor adjustment to the maintenance of effort benchmark for the City of Placentia to align with final city general fund revenue figures is also presented for review and approval.

Recommendations

- A. Approve the fiscal year 2018-19 Measure M2 Eligibility Guidelines.
- B. Approve the proposed revisions to the Countywide Pavement Management Plan Guidelines.
- C. Approve the City of Placentia's maintenance of effort benchmark adjustment for the fiscal year 2017-18 eligibility cycle.

Background

The Measure M2 (M2) Eligibility Guidelines (Eligibility Guidelines) establish eligibility requirements to ensure that all local jurisdictions are in compliance to receive M2 funds, including both local fair share and competitive programs. Based upon lessons learned from previous eligibility submittals from local jurisdictions, proposed administrative adjustments are being recommended to clarify the Eligibility Guidelines.

The Countywide Pavement Management Plan (PMP) Guidelines (Guidelines) established a consistent methodology for local jurisdictions to report pavement conditions, evaluate countywide pavement conditions, monitor changes in pavement conditions, anticipate expected improvements, and verify compliance with the ordinance. Minor revisions have been made to the PMP Guidelines to reflect lessons learned.

Local jurisdictions must also satisfy maintenance of effort (MOE) requirements by maintaining a minimum level of local streets and roads expenditures from local jurisdictions' discretionary funds. The ordinance provides a process to adjust the benchmark every three years. The second MOE benchmark adjustment was approved by the Board of Directors (Board) on April 10, 2017. At the time, it was noted that adjustments might be required pending receipt of final documentation from local jurisdictions. Since then, the City of Placentia (City) provided final documentation, and a minor adjustment to the City's benchmark is presented for approval.

Discussion

Eligibility Guidelines

The fiscal year (FY) 2018-19 eligibility cycle will start immediately following the approval of the updated Eligibility Guidelines. The Eligibility Guidelines assist local jurisdictions in submitting compliant eligibility packages. The proposed changes to the Eligibility Checklist (Appendix D), sample resolution (Appendix E), PMP Template (Appendix F), Expenditure Report Template, and Instructions and Resolution (Appendix G) incorporate feedback received during the previous eligibility review cycle. The revisions also streamline the eligibility process for items due as part of this eligibility cycle. A summary of the modifications is provided in Attachment A, and the revised redlined Eligibility Guidelines are included as Attachment B.

PMP Guidelines

Orange County Transportation Authority staff identified areas of improvement in the PMP Guidelines, which were presented to the Technical Advisory Committee (TAC) for discussion. The TAC recommended the proposed revisions for Board approval on February 28, 2018. Proposed revisions include:

- Modified criteria for prequalification/calibration of inspectors to ensure consistency and accuracy in the evaluation of pavement conditions and to better reflect actual desired performance of field inspectors.
 - The changes in the criteria are expected to expand the list of pre-qualified inspectors.
- Deleted Appendix A PMP agency checklist and replaced it with the required PMP submittal template in order to standardize the submittal process.

Additional minor revisions were made to the PMP Guidelines and certification form for internal consistency. The revised redlined PMP Guidelines are provided in Attachment C.

City's MOE Benchmark Adjustment

In April 2017, the appropriate MOE benchmark adjustment for each local jurisdiction was determined by a comparison of the growth in general fund revenues (GFR) and California Department of Transportation construction cost index. At the time the revised MOE benchmarks were presented to the Board, the City had not finalized their GFR, so staff used a draft GFR to calculate an estimated benchmark and noted that adjustments may be required pending receipt of the City's final GFR. The City submitted their final GFR in June 2017, and it was determined that the City required an adjustment to the estimated MOE benchmark. The adjustment increased the City's benchmark from \$655,255 to \$660,496. The City Finance Director was notified of the adjustment in August 2017, and the City met the required MOE benchmark in the FY 2017-18 M2 Eligibility cycle that was presented to the Board in December 2017. Board approval is requested to serve as a formal record of the revised benchmark.

Summary

Modifications to the Eligibility Guidelines and to the PMP Guidelines are provided to assist local jurisdictions with upcoming submittals. The MOE benchmark for the City has been amended based on receipt of final documentation.

Attachments

- A. Revisions to the Measure M2 Eligibility Guidelines
- B. Measure M2 Eligibility Guidelines, Fiscal Year 2018/2019
- C. Countywide Pavement Management Plan Guidelines, April 2018

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Executive Director, Planning

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Revisions to the Measure M2 Eligibility Guidelines

Administrative changes

- Page 5 Updating deadlines and information on summary of eligibility requirements table consistent with eligibility requirements discussed in Chapter 2, and noting the City of Huntington Beach is transitioning from a federal fiscal year to a July-June fiscal year beginning July 1, 2018.
- Page 9 Updating Exhibit 1 with the latest centerline mileage that is used to calculate local fair share payments.
- Page 13 Updating Exhibit 2 to reflect the revised maintenance of effort benchmark for the City of Placentia.
- Page 14 Providing clarifications on what is considered an update to a local jurisdiction's mitigation fee program to determine appropriate frequency of submittal.
- Page 16 Updating deadlines for eligibility requirements on Exhibit 3.

Eligibility Checklist (Appendix D)

Eligibility requirements have not changed; however, checklist items have been added to Appendix D to align with requirements discussed in Chapter 2 as part of this eligibility cycle.

Sample Resolution (Appendix E)

Updated to include eligibility requirements that must receive the City Council/Board of Supervisors approval for this cycle. These requirements include the Pavement Management Plan (PMP).

Expenditure Report Template, Instructions and Resolution (Appendix G)

Clarified eligible expenditures reported as indirect and/or overhead on the expenditure report.

PMP Template (Appendix F)

Incorporate the new required PMP submittal template that was designed to facilitate and standardize the PMP submittal process.



MEASURE M2 ELIGIBILITY GUIDELINES

FISCAL YEAR 2018/2019



ORANGE COUNTY TRANSPORTATION AUTHORITY

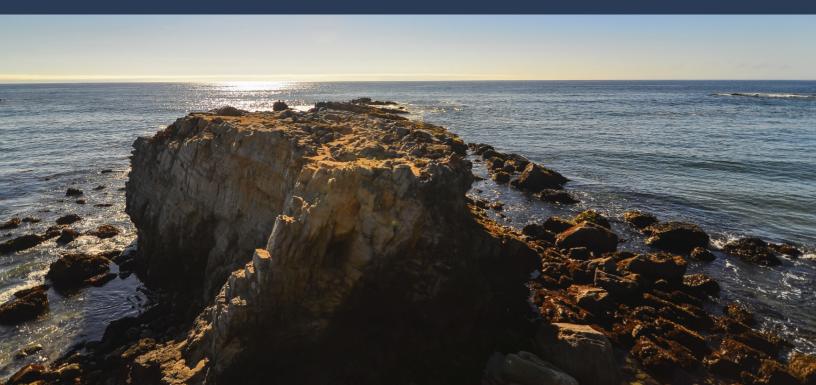




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Chapter 1 – Eligibility Overview

1.1 Introduction

On November 6, 1990, the voters in Orange County approved a $\frac{1}{2}$ -cent sales tax for transportation improvements known as Measure M. On November 7, 2006, voters approved a renewal of the original sales tax measure (M2) to continue the $\frac{1}{2}$ -cent sales tax for thirty years, beginning in 2011. Major improvement plans target Orange County freeways, streets and roads, transit and environmental programs.

The Ordinance, included as Appendix A, outlines the eligibility requirements that local jurisdictions must satisfy annually in order to receive M2 Net Revenues. The M2 Eligibility Guidelines (Eligibility Guidelines) provide the resources local jurisdictions need to remain eligible to participate in M2 funding programs. Guidelines for newly incorporated cities are outlined in Appendix B.

Net Revenues are generated from the transactions and use tax plus any interest or other earnings, after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs and the Orange County Transportation Authority (OCTA) shall allocate the Net Revenues to freeways, environmental, transit, and streets and roads projects.

Freeway Projects

Orange County freeways will receive forty-three percent (43%) of Net Revenues. Relieving congestion on State Route 91 is the centerpiece of the freeway program. Other major projects include improving Interstate 5 (I-5) in south Orange County, Interstate 405 (I-405) in west Orange County and State Route 57 in North Orange County. Under the plan, major traffic chokepoints on almost every freeway will be improved.

Environmental Programs

To address any environmental impact of freeway improvements, five percent (5%) of the allocated freeway funds will be used for environmental mitigation programs. A Master Agreement between OCTA and state and federal resource jurisdictions will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole. Funds are also available under the Environmental Cleanup Program (ECP) to implement water quality improvement projects.

Transit Projects

Orange County's rail and bus service will receive twenty-five percent (25%) of Net Revenues. These funds will be used to add transit extensions to the Metrolink corridor, reduce bus fares for senior citizens and persons with disabilities, and establish local bus circulators.

Streets and Roads Projects

Orange County has more than 7,300 lane miles of streets and roads; many in need of repair and rehabilitation. This sales tax measure will allocate thirty-two percent (32%) of Net Revenues to streets and roads. These funds will help fix potholes, improve intersections, synchronize traffic signals countywide, and make the existing network of streets and roads safer and more efficient.

The allocation of thirty-two percent (32%) of the Net Revenues for Streets and Roads Projects shall be made as follows:

- 1. Ten percent (10%) of the Net Revenues shall be allocated to Project O, Regional Capacity Program (RCP).
- 2. Four percent (4%) of the Net Revenues shall be allocated to Project P, Regional Traffic Signal Synchronization Program (RTSSP).
- 3. Eighteen percent (18%) of the Net Revenues shall be allocated to Project Q, Local Fair Share (LFS) Program.

1.2 Competitive Funds

OCTA shall select projects through a competitive process for the RCP, RTSSP, various transit programs (Projects S, T, V, and W), and the ECP (Project X). The criteria for selecting these projects are included in the Comprehensive Transportation Funding Programs (CTFP) Guidelines. The process for calculating and distributing LFS funds are described in Section 1.3.

1.3 Local Fair Share (LFS) Funds

The LFS Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is funded through an eighteen percent (18%) allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty percent (50%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing Master Plan of Arterial Highways (MPAH) centerline miles to the total MPAH centerline miles within the County as determined annually by OCTA.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year.
- OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for the purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. The new methodology includes a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within their respective Capital Improvement Programs (CIPs).

1.4 Eligibility Requirements for Net Revenues

Every year, OCTA determines if a local jurisdiction is eligible to receive M2 Net Revenues. A local jurisdiction must satisfy certain requirements as outlined in the Ordinance. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP)
- Establish a policy which requires new development to pay its fair share of transportationrelated improvements associated with their new development
- Adopt a General Plan Circulation Element consistent with the MPAH
- Adopt and update a Capital Improvement Program (CIP)
- Participate in Traffic Forums
- Adopt and maintain a Local Signal Synchronization Plan (LSSP)
- Adopt and update biennially a Pavement Management Plan (PMP)
- Adopt and provide an annual Expenditure Report to OCTA
- Provide OCTA with a Project Final Report within six months following completion of a project funded with Net Revenues
- Agree to expend Net Revenues received through M2 within three years of receipt
- Satisfy Maintenance of Effort (MOE) requirements
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the eligible jurisdiction's General Plan, land use and planning strategies that accommodate transit and non-motorized transportation



Chapter 2 – Eligibility Requirements

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction compliance. Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are included as appendices to these guidelines and are available in electronic format. The table below summarizes certification frequency and documentation requirements.

Compliance Category	Schedule	Documentation		
Capital Improvement Program (CIP)	Annual Next submittal is due June 29, 2018.	 Electronic, hard copy City Council/Board of Supervisors approval		
Circulation Element/MPAH Consistency	Biennial Next submittal is due June 28, 2019.	 Resolution Circulation Element Exhibit Arterial Highway Mileage Change Report (Appendix H) Certify that the Circulation Element is consistent with MPAH in the Eligibility Checklist (Appendix D 		
Congestion Management Program (CMP)	Odd numbered years Next submittal is due June 28, 2019.	 Eligibility Checklist item in Appendix D Include projects to address deficient intersections in CIP (if applicable) CMP Checklist (Appendix C) 		
Expenditure Report	Annual – six months after end of fiscal year Next submittal is due December 31, 2018.	Expenditure Report and resolution (Appendix G)		
Local Signal Synchronization Plan (LSSP)	Every three years Next submittal is due June 30, 2020	Copy of plan Resolution		
Maintenance of Effort (MOE)	Annual Next submittal is due June 29, 2018.	MOE Certification form (Appendix I) signed by Finance Director or equivalent designee that meets/exceeds MOE Benchmark in Exhibit 2 Budget excerpts and fund key		
Mitigation Fee Program (MFP)	Biennial Next submittal is due June 28, 2019. ²	Eligibility Checklist item in Appendix D Copy of nexus study, revised impact fee schedule, or process methodology Resolution		
No Supplanting Existing Commitments	Annual Next submittal is due June 29, 2018.	Eligibility Checklist item in Appendix D		
Pavement Management Plan (PMP)	Every two years Next submittal for even year agencies is due June 29, 2018. Refer to Exhibit 3 to determine the required PMP submittal schedule.	PMP Submittal Template (Appendix F) with PMP Certification form signed by Public Works Director or City Engineer CD with pavement report, and street listings Adoption - Resolution (Appendix E) or City Council/Board of Supervisors approved adoption recommendation		
Project Final Report	Within 6 months of project completion	Final Report		
Timely Expenditure of Funds	Annual Next submittal is due June 29, 2018.	Eligibility Checklist item in Appendix D		
Traffic Forums	Annual Next submittal is due June 29, 2018.	Eligibility Checklist item in Appendix D		
Transit/Non-motorized Transportation in General Plan	Annual Next submittal is due June 29, 2018.	Eligibility Checklist item in Appendix D Letter outlining land use planning strategies that accommodate transit and active transportation Excerpts of policies from the land use section of the General Plan		

¹ City of Huntington Beach follows a federal fiscal year and must submit the M2 Expenditure Report by March 31. <u>Beginning July 1, 2018, the City of Huntington Beach is transitioning from a federal fiscal year to a July-June fiscal year.</u>

² <u>Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of eligibility submittal schedule.</u>

2.1 Capital Improvement Program (CIP)

A CIP is a multi-year funding plan to implement capital transportation projects and/or programs including, but not limited to, capacity, safety, operations, maintenance, and rehabilitation projects. For purposes of eligibility, the Ordinance specifies that each jurisdiction must prepare a CIP. The annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, such as projects funded by Net Revenues (i.e. ECP, RTSSP, RCP, and LFS projects) and transportation projects required to demonstrate compliance with signal synchronization, pavement management, and CMP requirements (See section 2.3 for the CIP's relevance to the CMP).

Projects funded by M2 Net Revenues include:

Project Description	Project
Freeway Environmental Mitigation	A-M
Regional Capacity Program (RCP)	0
Regional Traffic Signal Synchronization Program (RTSSP)	Р
Local Fair Share Program (LFS)	Q
High Frequency Metrolink Service	R
Transit Extensions to Metrolink	S
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	Т
Community Based Transit/Circulators	V
Safe Transit Stops	W
Environmental Cleanup Program (ECP) – Water Quality	Х

Each eligible jurisdiction must include projects in their CIP that are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. The CIP shall also include all projects proposed to receive M2 funding. Local jurisdictions are encouraged, but not required, to include all transportation related projects regardless of M2 funding participation.

If M2 funding needed for a project is not reflected on the current CIP, an amended CIP should be adopted with contract award prior to expending funds. The revised CIP should be submitted to OCTA in hard copy format with evidence of council approval.

<u>Submittal Frequency:</u> Minimum annual or as needed to add M2 projects that are not reflected on the current CIP. Next submittal is due by <u>June 29, 2018</u>.

City Council/Board of Supervisors approval: Required

<u>Verification Method:</u> Each jurisdiction must submit an electronic (online) and hard copy of its CIP with evidence of City Council/Board of Supervisors approval. The OCTA provides a web-based database called the Web Smart CIP used countywide for reporting approved CIP information. A separate CIP User's Manual has been developed to assist local jurisdictions with the preparation of the seven-year CIP.

The CIP User's Manual is available for download at https://www.octa.net/M2Eligibility.

2.2 Circulation Element/MPAH Consistency

A Circulation Element is one component of a jurisdiction's General Plan that depicts a planned multimodal network and related policies. Each jurisdiction is required to adopt and maintain a Circulation Element that is consistent with the OCTA MPAH, which defines the minimum planned lane configurations for major regionally significant roads in Orange County.

MPAH Consistency

Through a cooperative process, OCTA, the City Engineers Association, the City Managers Association, and the County of Orange developed criteria for determining consistency with the MPAH. Criteria and policies for determining MPAH Consistency are included in a separate manual titled "Guidance for Administration of the Orange County Master Plan of Arterial Highways" and are summarized below:

- The local jurisdiction's Circulation Element is to have the minimum planned carrying capacity
 equivalent to the MPAH for all MPAH links within its jurisdiction. "Planned carrying capacity"
 is the number of through lanes on each arterial highway as shown on the local Circulation
 Element.
- Local jurisdictions will not be found inconsistent with the MPAH due to existing capacity limitations on arterials not yet constructed to the ultimate capacity shown on the MPAH.
- Every two years, each local jurisdiction must submit a resolution adopted by the governing body attesting that no unilateral reduction in lanes has been made on any MPAH arterial.
- The local jurisdiction will be ineligible to participate in M2 programs if a roadway on the MPAH has been unilaterally removed from or downgraded on their Circulation Element and/or does not meet the planned capacity criteria. Eligibility may be reinstated upon completion of a cooperative study that resolves the inconsistency. Additionally, the local jurisdiction can re-establish eligibility upon restoring its Circulation Element to its previous state of MPAH consistency.
- The local jurisdiction must adopt a General Plan Circulation Element that does not preclude implementation of the MPAH.
- A local jurisdiction is inconsistent with the MPAH as of the date the governing body takes unilateral action reducing the number of existing and/or planned through lanes on an MPAH arterial built to its ultimate configuration to less than the ultimate capacity shown on the MPAH. "Unilateral action" means physical action such as striping, signing, or other physical restrictions executed by the local jurisdiction.
- A local jurisdiction may be permitted to reduce existing through lanes, if prior to acting, it
 can demonstrate to the OCTA that such action is temporary and can be justified for
 operational reasons. The local jurisdiction must enter into a binding agreement to restore
 capacity upon demand by OCTA, in which case OCTA may recommend that the local
 jurisdiction remain eligible on a conditional basis. If it is found to be ineligible, it may regain
 eligibility upon physical restoration of the arterial to the original state that is consistent with
 the MPAH.
- Traffic calming measures shall be administered on MPAH facilities per the latest version of the Guidance for the Administration of the Orange County MPAH.
- If a local jurisdiction requests a change to the MPAH and enters into a cooperative study to analyze the request, it may be considered conditionally consistent. No change shall be made

to its Circulation Element until after the cooperative study is completed and agreement is reached on the proposed amendment.

Submittal Frequency: Odd year requirement. Next submittal is due by June 28, 2019.

City Council/Board of Supervisors approval: Required

<u>Verification Method:</u> Each jurisdiction must provide the following every odd year:

- Document within the Eligibility Checklist (Appendix D) that confirms the Circulation Element is consistent with the MPAH.
- A copy of the most current Circulation Element Exhibit biennially showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.
- Resolution adopted by the governing body of the local jurisdiction.
- The Arterial Highway Mileage Change Report (Appendix H). Changes are in actual (built or annexed) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30 of the reporting year. Exhibit 1 lists the current MPAH centerline miles by jurisdiction that is used to calculate Local Fair Share.

OCTA shall review the materials submitted, and determine whether the local jurisdiction Circulation Elements are consistent with the MPAH, meaning there is a minimum planned carrying capacity equivalent to the MPAH for all MPAH links within the local agency's jurisdiction.

Exhibit 1: MPAH Centerline Miles

As of August 7, 2017

Local Jurisdiction	Centerline Mileage
Aliso Viejo	14.85
Anaheim	148.69
Brea	20.57
Buena Park	34.44
Costa Mesa	49.33
County of Orange	54.64
Cypress	24.93
Dana Point	20.16
Fountain Valley	35.28
Fullerton	62.18
Garden Grove	63.59
Huntington Beach	93.05
Irvine	134.82
La Habra	17.13
La Palma	7.23
Laguna Beach ³	14.01
Laguna Hills	20.73
Laguna Niguel	35.94
Laguna Woods	5.77
Lake Forest	37.47
Los Alamitos	6.44
Mission Viejo	43.77
Newport Beach	48.92
Orange	85.24
Placentia	25.01
Rancho Santa Margarita	18.20
San Clemente	25.57
San Juan Capistrano	18.55
Santa Ana	100.21
Seal Beach	12.24
Stanton	9.48
Tustin	41.28
Villa Park	3.49
Westminster	35.75
Yorba Linda	32.67

1,401.63

³ Laguna Beach credited with State Highway mileage by agreement of the TAC.

2.3 Congestion Management Program (CMP)

With the passage of Proposition 111 Gas Tax increase in June 1990, urbanized areas of California were required to adopt a CMP. OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP. Orange County's CMP is a countywide program established in 1992 to support regional mobility and air quality objectives through the effective use of transportation funds, coordinated land use, and development planning practices. Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs.

The goals of Orange County's CMP are to support regional mobility and air quality objectives by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility. Each jurisdiction must comply with the following conditions and requirements of the Orange County CMP pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding:

- <u>Level of Service</u> Highways and roadways designated by OCTA must operate at an established LOS of no less then LOS "E" (unless the LOS from the baseline CMP dataset was lower).
- <u>Deficiency Plans</u> Any CMP intersections that do not comply with the LOS standards must have a deficiency plan prepared by the responsible local jurisdiction that identifies the cause and necessary improvements for meeting LOS standards (certain exceptions apply).
- <u>Land Use Analysis</u> Jurisdictions must analyze the impacts of land use decisions on the transportation system, using a designated methodology, consistent with the CMP Traffic Impact Analysis guidelines. The analysis must also include estimated cost to mitigate associated impacts.
- Modeling and Data Consistency A jurisdiction utilizing a local area model for traffic impact analysis must conform to the Orange County Sub-Area Modeling guidelines, prepared by OCTA.
- <u>CIP</u> Jurisdictions must submit an adopted seven-year CIP that includes projects to maintain or improve the LOS on CMP facilities or adjacent facilities.

<u>Submittal Frequency:</u> Odd years – Next submittal is due by <u>June 28, 2019.</u>

City Council/Board of Supervisors approval: Not Required

<u>Verification Method:</u> The CMP checklist, as shown in Appendix C, must be submitted to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan. OCTA will use the M2 CIP prepared by each local jurisdiction as the default CMP CIP rather than require a separate submittal. Projects intended to address CMP deficiencies should be clearly identified in the project description within the CIP. Appendix C is available for download at https://www.octa.net/M2Eligibility.

2.4 Expenditure Report

The expenditure report is a detailed financial report that tracks financial activity for M2 and other improvement revenue sources. Each jurisdiction must adopt an annual Expenditure Report to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the MOE requirements. This report is used to validate eligible uses of funds and to report actual MOE expenditures.

- Report required within six months of jurisdiction's end of fiscal year.
- Report to include all Net Revenue, fund balances, and interest earned. Negative interest is not an allowable expense. If interest earnings are negative, an explanation should be included to explain why.
- Reported expenditures shall be identified by activity type (i.e. construction, maintenance/operations, administration indirect and/or overhead) and funding source for each M2 program and/or project.

<u>Submittal Frequency:</u> Annual – within 6 months of the end of the fiscal year. The deadline is December 31 for jurisdictions following a state fiscal year (July-June) and March 31 of the subsequent calendar year for jurisdictions following a federal fiscal year (October-September) (i.e. Huntington Beach). <u>Beginning July 1, 2018, the City of Huntington Beach is transitioning from a federal fiscal year to a July-June fiscal year.</u>

City Council/Board of Supervisors approval: Required

<u>Verification Method:</u> The expenditure report signed by the jurisdiction's Finance Director and City council/Board of Supervisors resolution attesting to the adoption is required. The expenditure report template, instructions, and resolution are provided in Appendix G. Appendix G is available for download at https://www.octa.net/M2Eligibility.

2.5 Local Signal Synchronization Plan (LSSP)

The LSSP⁴ is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The LSSP shall be consistent with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). The LSSP will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the LSSP. Local jurisdictions must update LSSPs every three years and include a performance assessment which compares the information in the current report to prior cycle activities.

Submittal Frequency: Every 3 years - Next LSSP update submittal is due by June 30, 2020.

City Council/Board of Supervisors approval: Required

<u>Verification Method:</u> Local jurisdictions must ensure that their LSSP is in conformance with the RTSSMP. LSSPs must be updated and adopted every three years starting June 30, 2014. At a minimum, a Public Works Director must sign the LSSP Consistency Review Checklist. A separate document prepared by OCTA, "Guidelines for the Preparation of Local Signal Synchronization Plans," provides additional detail for agency submittal and is available for download at https://www.octa.net/M2Eligibility.

⁴ A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (Project O) if the local jurisdiction has adopted a LSSP consistent with the RTSSMP.

2.6 Maintenance of Effort (MOE)

The MOE Certification is a financial reporting document, which provides annual certification of planned/budgeted maintenance, construction and administrative_indirect/other transportation related expenditures and the comparison to the annual MOE Benchmark Requirements for the fiscal year. Each jurisdiction must provide annual certification to OCTA that the MOE requirements of Section 6 of the Ordinance have been satisfied. MOE applies to transportation-related discretionary expenditures such as General Funds by local agencies for maintenance, construction, and other categories.

MOE Certification Process

M2 funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect monies currently being used for transportation purposes to other uses and replace the redirected funds with M2 revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The original minimum level of expenditures was based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC's) Annual Report data collection sheets. The established benchmark was reported in constant dollars and was not adjusted for inflation. Annexation of land into an existing jurisdiction does not affect the MOE.

Per the Ordinance, the MOE benchmark must be adjusted in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for the preceding three-years. The CCI-based adjustment cannot exceed growth rate in General Fund revenues during the update period. The current MOE benchmark is reflected in Exhibit 2. The next MOE benchmark adjustment will be effective July 1, 2020.

Submittal Frequency: Annual - Next MOE submittal is due June 29, 2018.

City Council/Board of Supervisors approval: Not Required

<u>Verification Method:</u> An MOE reporting form must be completed, signed by the jurisdiction's finance director and submitted on an annual basis. The form is included in the Eligibility Guidelines as Appendix I and is available for download at https://www.octa.net/M2Eligibility.

In addition, excerpts from the jurisdiction's annual budget showing referenced MOE expenditures and dedication of General Funds should be included in the annual submittal to substantiate planned relevant discretionary fund (General Funds) expenditures.

Any California State Constitution Article XIX eligible expenditure may be "counted" in a local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local jurisdiction's general fund. This is the same definition used for Gas Tax expenditures. The California State Controller also provides useful information on Article XIX and Streets and Highways Code eligible expenditures. These guidelines do not replace statutory or legal authority, but explain the general information found in California Constitution Article XIX and the Streets and Highways Code.

Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Jurisdiction	МО	E Benchmark
Aliso Viejo	\$	462,004
Anaheim	\$	10,058,292
Brea	\$	719,028
Buena Park	\$	3,743,072
Costa Mesa	\$	7,383,205
Cypress	\$	3,117,765
Dana Point	\$	1,313,011
Fountain Valley	\$	1,342,115
Fullerton	\$	3,785,870
Garden Grove	\$	3,378,344
Huntington Beach	\$	5,607,203
Irvine	\$	7,050,145
La Habra	\$	1,529,313
La Palma	\$	173,004
Laguna Beach	\$	1,549,454
Laguna Hills	\$	310,467
Laguna Niguel	\$	908,566
Laguna Woods	\$	89,705
Lake Forest	\$	194,440
Los Alamitos	\$	162,506
Mission Viejo	\$	2,538,900
Newport Beach	\$	10,871,763
Orange	\$	2,917,858
Placentia	\$	660,496
Rancho Santa Margarita	\$	390,747
San Clemente	\$	1,135,209
San Juan Capistrano	\$	422,472
Santa Ana	\$	7,755,107
Seal Beach	\$	551,208
Stanton	\$	245,213
Tustin	\$	1,455,691
Villa Park	\$	321,697
Westminster	\$	1,548,761
Yorba Linda	\$	2,279,688
Annual Total Orange County	\$	85,972,319

2.7 Mitigation Fee Program (MFP)

The MFP is a locally established fee program, which assesses fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. To insure eligibility, each jurisdiction must have a clearly defined mitigation program.

Submittal Frequency: Odd years - Next MFP submittal is due by June 28, 2019.5

City Council/Board of Supervisors approval: Required

<u>Verification Method:</u> The eligibility submittal should include a copy of the nexus study improvement list, a current fee schedule or the process methodology, and the City Council/Board of Supervisors resolution approving the MFP. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of an AB1600 compliant Nexus Study fee program, each jurisdiction shall provide a council resolution adopting the mitigation policy.

At such time that a jurisdiction updates their mitigation program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle. In addition, a MFP resolution must be submitted biennially to reaffirm that council concurs with the existing MFP. It is the local jurisdiction's responsibility to ensure fee programs and mitigation measures are updated periodically and meet the infrastructure needs of their community.

2.8 No Supplanting of Developer Commitments

Eligible jurisdictions must ensure that M2 funding will not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their project(s) create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been previously committed to transportation projects through payment of fees in a defined program, fair share contribution, Community Facilities District (CFD) financing, or other dedicated contribution to a specific transportation improvement

<u>Submittal Frequency:</u> Annual - Next submittal is due by June 29, 2018.

City Council/Board of Supervisors approval: Not Required

<u>Verification Method:</u> Each jurisdiction must document within the Eligibility Checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as outlined in the Ordinance. Appendix D is available for download at https://www.octa.net/M2Eligibility.

⁵ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study on an even year. <u>Annual cost adjustments should be reported but do not constitute an "update"</u> on the Eliqibility Checklist (Appendix D).

2.9 Pavement Management Plan (PMP)

A PMP⁶ is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. MicroPaver or StreetSaver will be used for countywide consistency. The software must be consistent with ASTM Standard D6433-11.

Each jurisdiction must biennially adopt and update a PMP consistent with the specific requirements outlined in the Ordinance, and issue, using a common format (Appendix F) approved by OCTA, a report regarding the status of road pavement conditions and implementation of the PMP including, but not limited to, the following elements:

- The current status of pavement roads
- A seven-year plan for road maintenance and rehabilitation, including projects, funding, and unfunded backlog of pavement needs
- Projected pavement conditions resulting from improvements
- Alternative strategies and estimated costs to improve road pavement conditions

The Countywide PMP Guidelines have been prepared by OCTA to assist local jurisdictions with the PMP submittal. Local jurisdictions should refer to the guidelines for additional PMP submittal criteria. The Countywide PMP Guidelines can be downloaded from OCTA's Eligibility webpage: https://www.octa.net/M2Eligibility.

<u>Submittal Frequency:</u> Biennial – 21 local jurisdictions submit PMP updates in even years (i.e. June 29, 2018) and 14 local jurisdictions submit PMP updates in odd years (i.e. June 28, 2019). Refer to Exhibit 3 to determine the local jurisdiction's required PMP submittal schedule.

City Council/Board of Supervisors approval: Required

<u>Verification Method:</u> To establish eligibility, each jurisdiction must complete and submit the adopted PMP <u>Submittal Template and Certification</u> (Appendix F). <u>The adoption must be approved by the City Council/Board of Supervisors as a staff report recommendation or through a resolution. A sample resolution is provided in Appendix E. <u>The PMP certification form included in the template must be signed by the Public Works Director or City Engineer. These appendices are available for download at https://www.octa.net/M2Eligibility.</u></u>

The Executive Summary should include a brief overview of their PMP highlighting issues that have developed between review cycles and provide additional information regarding the projects funded through the program. At a minimum, the Executive Summary should include Pavement Condition Index (PCI) reports, Projected PCI, and Alternative Funding Levels.

⁶ RCP includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (Project O) if the jurisdiction either has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the scale for road pavement conditions in conformance with the Ordinance, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

Exhibit 3: Submittal Schedule for Periodic Components

Local Jurisdiction	Updated PMP	СМР	MPAH Consistency	MFP ⁷	Project Final Reports	LSSP
Aliso Viejo	Even Year				•	
Anaheim	Odd Year					
Brea	Odd Year					
Buena Park	Even Year					
Costa Mesa	Even Year					
County of Orange	Odd Year					
Cypress	Odd Year					
Dana Point	Odd Year					
Fountain Valley	Even Year					
Fullerton	Even Year	0	0	0		Ev
Garden Grove	Even Year	Odd Years (Next submittal is due by June 28, 2019)	b b	☐ Y		Every 3 years (Next submittal is due June 30, 2020)
Huntington Beach	Even Year	rea	r ea	'ea	8	3 >
Irvine	Odd Year	S.	ST	rs (Ĭ	/ea
Laguna Beach	Even Year	Ne	Ne	Ne e	n 6	rs (
Laguna Hills	Even Year	X ,	X	Ã s	В	Ne
Laguna Niguel	Even Year	dus	dus	üb	ont	xt s
Laguna Woods	Even Year	mit	l mit	nit	hs (ubi
Lake Forest	Odd Year	<u>tal</u>	<u>ta</u>	Within 6 months of project completion Odd Years (Next submittal is due by June 28, 2019)	of p	nitt
La Habra	Odd Year	is c	is c		o <u>r</u> oj	<u>:a</u>
La Palma	Even Year	lue	Within 6 months of project completion Odd Years (Next submittal is due by June 28, 2019) Odd Years (Next submittal is due by June 28, 2019)	ect	s d	
Los Alamitos	Odd Year	by	by	by	8	ue
Mission Viejo	Even Year	Jui	Jui	Jur	mp	Jur
Newport Beach	Odd Year	ne i	ا ا	Б	leti	ю Э
Orange	Even Year	28,	28,	28,	on .	30,
Placentia	Even Year	20	20	20:		202
Rancho Santa Margarita	Even Year	19)	19)	[9)		20)
San Clemente	Odd Year					
San Juan Capistrano	Odd Year					
Santa Ana	Even Year					
Seal Beach	Even Year					
Stanton	Odd Year					
Tustin	Odd Year					
Villa Park	Even Year					
Westminster	Even Year					
Yorba Linda	Even Year					

⁷ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of allocated submittal schedule.

2.10 Project Final Report

Each jurisdiction must provide OCTA a Project Final Report within six months following completion of a project funded with Net Revenues. Final report formats follow the template used by the CTFP. The CTFP Guidelines define the term "project phase completion" as the date all final third-party contractor invoices have been paid and any pending litigation has been adjudicated either for the engineering phase or for the right-of-way phase, and all liens/claims have been settled for the construction phase. The date of project phase completion will begin the 180-day requirement for the submission of a project final report as required by the Ordinance.

City Council/Board of Supervisors approval: Not Required

<u>Verification Method:</u> To establish eligibility, a jurisdiction must submit a copy of the CTFP Project Final Report for each project utilizing Net Revenues. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (<u>administration indirect and/or overhead</u>, maintenance, repair, and other non-project related costs) funded by LFS funds, the annual Expenditure Report shall satisfy reporting requirements. If LFS funds are used for capital projects, the local jurisdiction shall also include a list of those funds and/or other M2 funds in the Project Final Report.

2.11 Time Limit for Use of Net Revenues

The timely expenditure of funds is a policy which must be adopted by each local jurisdiction to ensure Net Revenues are expended and accounted for within 3 years. The local jurisdiction must certify that the receipt and use of all M2 funds received will adhere to the time limits for use as outlined in the Ordinance.

Competitive Programs

 Jurisdictions must agree that Net Revenues for RCP projects and/or RTSSP projects shall be expended or encumbered by the end of the fiscal year for which Net Revenues are programmed. Refer to the CTFP Guidelines for additional information regarding expenditure deadlines and extension requests.

Local Fair Share (LFS)

- Net Revenues received by local jurisdictions through the LFS program shall be expended or
 encumbered within three years. An extension may be granted but is limited to a total of five
 years from the date of receipt of funds. OCTA uses the check date as the date of receipt of
 funds. Requests for extension must be submitted as part of the semi-annual review process
 prior to the end of the third year from the date of receipt of funds. Requests for extension
 must include a plan of expenditure.
- Expired funds including interest earned and related revenues must be returned to OCTA. These funds shall be returned for redistribution within the same source program.
- Use of LFS revenues for bonding (including debt service) shall be limited to 25% of the
 jurisdiction's annual LFS revenues as defined in Article XIX Motor Vehicle Revenues of the
 California Constitution unless the Board approves an exception to this policy on a case-bycase basis.

Interest Derived from Net Revenues

- Interest from any M2 competitive funding program and LFS must be held in separate accounts.
- Local M2 interest proceeds must be spent by the local jurisdiction on transportation activities consistent with LFS eligible transportation activities.
- Interest revenues must be expended within 3 years of receipt.
- Interest may be accumulated for substantive projects where necessary, with prior OCTA approval, provided that the account balance does not exceed aggregate LFS payments received in the preceding three (3) years of reporting period.
- All interest accumulated at the conclusion of M2 is to be expended within three years of the program sunset date (March 31, 2041).

<u>Submittal Frequency:</u> Annual. Next submittal is due by June 29, 2018.

<u>City Council/Board of Supervisors approval:</u> Required if an extension is requested.

<u>Verification Method:</u> Each jurisdiction must document within the Eligibility Checklist (Appendix D) confirmation that the jurisdiction complies with the timely use of Net Revenues throughout the year as outlined in the Ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

2.12 Traffic Forums

Traffic Forums are working group sessions that include local jurisdictions and OCTA. Traffic forums provide a venue for local jurisdictions to discuss general traffic and transportation issues, traffic circulation between participating jurisdictions, the coordination of specific projects, and the overall RTSSP. Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility.

<u>Submittal Frequency:</u> Annual. Next submittal is due by <u>June 29, 2018</u>.

City Council/Board of Supervisors approval: Not Required

<u>Verification Method:</u> Each jurisdiction must document within the Eligibility Checklist (Appendix D) evidence of its annual participation in a Traffic Forum.

2.13 Transit/Non-motorized Transportation in General Plan

As part of the eligible jurisdiction's land use section of the General Plan, the jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. Multi-modal options are vital to a comprehensive transportation network. General Plans should include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

<u>Submittal Frequency:</u> Annual. Next submittal is due by <u>June 29, 2018</u>.

City Council/Board of Supervisors approval: Not Required

<u>Verification Method:</u> Each jurisdiction must document within the Eligibility Checklist (Appendix D) that it considers, as part of the land use section of the General Plan, land use planning strategies that accommodate transit and non-motorized transportation. A letter outlining the approach to land use planning strategies or policies that accommodate transit and non-motorized transportation should be provided with supporting General Plan excerpts. Policy summaries that directly tie land use planning to alternative modes are required.

These may include:

- Pedestrian friendly neighborhoods
- Transit Oriented Development (TOD)
- Transportation Demand Management (TDM) programs
- Mixed-use development



Chapter 3 - Eligibility Determination

3.1 Submittal Review Process

The Eligibility submittal process has two distinct phases.

First Phase

In the first phase, local jurisdictions submit the eligibility checklist, CIP, MOE and land use planning strategies considered in the General Plan on an annual basis. In addition, the PMP, CMP, MFP, and adoption of the Circulation Element for MPAH consistency are due on a biennial basis. The LSSP is due every three years. The periodic submittal schedule of the eligibility requirements is included in Exhibit 3. The applicable eligibility components for a given year must be submitted to OCTA by June 30 (except the expenditure report).

To assist in the initiation of the eligibility process, OCTA hosts eligibility workshops attended by local jurisdictions to prepare for the June 30 submittals. The workshops outline any changes and provide instructions as to the requirements of the current fiscal year's eligibility. Eligibility package development begins for most local jurisdictions in April and concludes with submittal to OCTA by the June 30 deadline each year.

Second Phase

The second phase includes the submittal of the Expenditure Report, which is due six months following the end of the local jurisdiction's fiscal year per the Ordinance. The City of Huntington Beach follows a federal fiscal year (October 1 to September 30) and that jurisdiction's expenditure report is due by March 31 of each year. All other local jurisdictions must submit their expenditure reports annually by December 31. Beginning July 1, 2018, the City of Huntington Beach is transitioning from a federal fiscal year to a July-June fiscal year. OCTA staff typically holds a workshop in July/August to go over the eligibility requirements for submitting an expenditure report that is compliant with the Ordinance. The OCTA Finance department reviews expenditure reports.

3.2 Approval Process

Annual eligibility determinations are based upon satisfactory submittal of the required documentation of eligibility outlined in the Ordinance and further described in Chapter 2 of these guidelines. OCTA and/or its representatives perform an administrative review of the data to determine eligibility compliance for M2 funds. Once all eligibility submittals have been received as satisfactory and complete, the applicable submittals must be prepared for review and approval by the Taxpayer Oversight Committee (TOC).

TOC

M2 established the TOC to provide an enhanced level of accountability for expenditure of Net Revenues under the Ordinance. The TOC is an independent citizens' committee established for overseeing compliance with the Ordinance and ensuring that safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the Ordinance proposed by OCTA which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan.
- Review of select documentation establishing annual eligibility by a jurisdiction including a jurisdiction's CMP, MFP, Expenditure Report, LSSP, and PMP.

• Verification that the OCTA is proceeding in accordance with the M2 Plan and is meeting the performance standards outlined in the Ordinance.

The TOC designates the Annual Eligibility Review (AER) subcommittee to review five of the thirteen eligibility requirements listed in the Ordinance. The AER subcommittee reviews the CMP, MFP, Expenditure Report, LSSP, and PMP for each local jurisdiction on an annual basis. The AER subcommittee recommends eligibility determination to the TOC.

In addition, OCTA staff will review items that do not directly require TOC approval and confirm compliance. After TOC and OCTA review all eligibility requirements, OCTA staff will prepare eligibility recommendations for the OCTA Board of Directors (Board). The OCTA Regional Planning and Highways Committee reviews the item prior to being considered by the full Board. The Board will make final determination as to whether or not a local jurisdiction remains eligible for M2 funding on an annual basis.

Chapter 4 – Failure to Meet Eligibility Requirements

4.1 Non-Compliance Consequences

M2 extends a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance. Article XIX of the California Constitution, provides guidance regarding the use of tax revenues for transportation purposes, and provides a useful definition of eligible transportation planning/implementation activities.

OCTA routinely conducts an audit of local jurisdictions' annual eligibility materials and financial records. Full cooperation is expected to complete the process in a timely manner. A finding of non-compliance may be made if either of the following conditions exists:

- Use of M2 funding for non-transportation or non-eligible activities, or
- Failure to meet eligibility requirements

If a determination is made that a local jurisdiction has used M2 funds for ineligible purposes, misspent funds must be fully repaid and the jurisdiction will be deemed ineligible to receive Net Revenues for a period of five (5) years. A finding of ineligibility is determined by the Board. Failure to adhere to eligibility compliance components may result in suspension of funds until satisfactory compliance is achieved.

4.2 Appeals Process

Eligibility review and determination is a multi-step process, which relies upon an objective review of information by OCTA staff, the Technical Steering Committee (TSC), the Technical Advisory Committee (TAC), and the TOC with final determination made by the Board. An appeal of findings may be filed with the Board for re-consideration.

4.3 Re-establishing MPAH Eligibility

If a Circulation Element is found to be inconsistent with the MPAH and a local jurisdiction is determined ineligible for M2 funds, the local jurisdiction may re-establish eligibility by requesting to undertake a cooperative study with OCTA. The study will be designed to do the following:

- Ascertain the regional transportation system needs
- Make provisions to meet those needs in the local jurisdiction's General Plan
- Re-establish consistency with the MPAH

Any changes to a local jurisdiction's General Plan or the MPAH shall be mutually acceptable to the jurisdiction and OCTA. Until such a study has been completed and an agreement reached on the proposed amendment, the jurisdiction shall be ineligible to apply for and/or receive M2 competitive funds.

4.4 For Additional Information

The Eligibility Guidelines have been developed to assist local jurisdictions located throughout Orange County to understand and continue to implement all eligibility requirements to receive M2 funding. The Guidelines provide general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the Eligibility Guidelines:

May Hout

Senior Transportation Funding Analyst (714) 560-5905 MHout@octa.net

Or

Joe Alcock

Section Manager (714) 560-5372 JAlcock@octa.net Appendices:

Appendix A: Ordinance

The Ordinance can be found on the Eligibility Website: https://www.octa.net/M2Eligibility



Appendix B: Eligibility for New Cities



Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange, which have already established eligibility under the current M2. As new cities mature, they will adopt their own general plan and growth strategies.

To provide for this transition period, the OCTA Board of Directors (Board) has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced.
- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the LFS funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation.
- The new city will begin accruing LFS funds as of the date of incorporation.
- OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the Board within one year of the date of incorporation.
- For the new city to receive the reserved accrued funds, OCTA must receive all necessary elements
 of the eligibility package, complete the necessary review and approval of the package, and the
 Board must determine the new city eligible to receive M2 funds within one year of the date of
 incorporation. OCTA recommends the city submit its eligibility package within six months of
 incorporation to allow sufficient time for OCTA review and approval processes.
- Upon determination of eligibility by the Board, the new city will receive its first LFS payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination.
- The first LFS payment will be adjusted to reflect final calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process.
- In the event a new city is determined to be ineligible to receive LFS funds by the Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible local jurisdictions on a pro-rata basis, until such time that the new city attains eligibility.
- Such new city will begin to accrue funds as of the first day of the first regular accrual period
 following its determination of eligibility by the Board and receive its first LFS payment on the
 corresponding regular payment cycle.

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for LFS funds, the Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive LFS funds by Board, as described above.
- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its eligibility package for review and approval by the Board.

• Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process.

New Cities – MOE

M2 requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect. New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

The approved method uses the following formula to calculate the MOE for new cities:

Total MOE benchmark for the county
------ = Per capita expenditure

Total county population = MOE benchmark for the city

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. OCTA shall use the most recent Census or figures from the State of California Department of Finance. Appeals will be submitted first to the TAC and then to the Board for final determination.

Appendix C: Congestion Management Program Checklist





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APPENDIX C

Julisui	cuon:			
CMP Monitoring Checklist: Level of Service (LOS)				
CMP (Checklist	YES	NO	N/A
1.	Check "Yes" if either of the following apply:		П	
	There are no CMP intersections in your jurisdiction.			
	• Factoring out statutorily-exempt activities ¹ , all CMP intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better.			
	NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION ANSWER THE REMAINING QUESTIONS.	1 NEED T	О	
2.	If any, please list those intersections that are not operating at the CMP LOS standards. •			
	•			
	• -			
3.	Will deficient intersections, if any, be improved by mitigation measures to be implemented in the next 18 months or improvements programmed in the first year of any recent funding program (i.e. local jurisdiction CIP, Measure M CIP)?			
	a. If not, has a deficiency plan been developed for each intersection that will be operating below the CMP LOS standards?			
Additio	onal Comments:			

¹The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



	CMP Monitoring Checklist: Deficiency Plans			
CMF	P Checklist	YES	NO	N/A
1.	Check "Yes" if either of the following apply:			
	There are no CMP intersections in your jurisdiction.			
	• Factoring out statutorily-exempt activities², all CMP Highway System (CMPHS) intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better.			
	NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 ANSWER THE REMAINING QUESTIONS.	NEED TO)	
2	If any, please list those intersections that are not operating at the CMP LOS standards.			
	-			
	•			
3.	Are there improvements to bring these intersections to the CMP LOS standard scheduled for completion during the next 18 months or programmed in the first year of the CIP?			
	NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 3 ANSWER THE REMAINING QUESTIONS.	NEED TO)	
4.	Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?			
5.	Does the deficiency plan fulfill the following statutory requirements? :			
	a. Include an analysis of the causes of the deficiency?			
	b. Include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?			
	c. Include a list of improvements, programs, or actions and estimates of their costs, which will improve LOS on the CMPHS and improve air quality?			
	 Do the improvements, programs, or actions meet the criteria established by South Coast Air Quality Management District (SCAQMD) (see the CMP Preparation Manual)? 			

²The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



CMP Monitoring Checklist: Deficiency Plans (cont.)				
СМР	Checklist	YES	NO	N/A
6.	Are the capital improvements identified in the deficiency plan programmed in your seven-year CIP?			
7.	Does the deficiency plan include a monitoring program that will ensure its implementation?			
8.	Does the deficiency plan include a process to allow some level of development to proceed pending correction of the deficiency?			
9.	Has necessary inter-jurisdictional coordination occurred?			
10.	Please describe any innovative programs, if any, included in the deficiency plan:			
Addi	itional Comments:			



	CMP Monitoring Checklist: Land Use Coordination			
CMP	Checklist	YES	NO	N/A
1.	Have you maintained the CMP traffic impact analysis (TIA) process you selected for the previous CMP?			
	a. If not, have you submitted the revised TIA approach and methodology to OCTA for review and approval?			
2.	Did any development projects require a CMP TIA during this CMP cycle? ³			
	NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 2 ANSWER THE REMAINING QUESTIONS.	2 NEED 1	го	
3.	If so, how many?			
4.	Please list any CMPHS links & intersections that were projected to not meet the CMP LOS swhether any are outside of your jurisdiction).	standards	(indicate	
	Were mitigation measures and costs identified for each and included in your seven- year CIP?			
	b. If any impacted links & intersections were outside your jurisdiction, did your jurisdiction coordinate with other jurisdictions to develop a mitigation strategy?			
5.	If a local traffic model was/will be used, did you follow the data and modeling consistency requirements as described in the CMP Preparation Manual (available online at http://www.octa.net/pdf/cmpprepmanual.pdf)?			
Addi	itional Comments:			

³Exemptions include: any development generating less than 2,400 daily trips, any development generating less than 1,600 daily trips (if it directly accesses a CMP highway), final tract and parcel maps, issuance of building permits, issuance of certificate of use and occupancy, and minor modifications to approved developments where the location and intensity of project uses have been approved through previous and separate local government actions prior to January 1, 1992.



	CMP Monitoring Checklist: Capital Improvement Program (CIP)			
CMF	P Checklist	YES	NO	N/A
1.	Did you submit a seven-year CIP to OCTA by June 30?			
2.	Does the CIP include projects to maintain or improve the performance of the CMPHS (including capacity expansion, safety, maintenance, and rehabilitation)?			
3.	Is it consistent with air quality mitigation measures for transportation- related vehicle emissions?			
4.	Was the Web Smart CIP provided by the OCTA used to prepare the CIP?			
Additional Comments:				
	I certify that the information contained in this checklist is true.			
	Signature: Title:			



Appendix D: Eligibility Checklist





APPENDIX D

Eligibility Checklist

Jurisdiction:	
---------------	--

Сар	ital Improvement Program (CIP)	YES	NO
1.	Did you submit your draft <u>or adopted</u> Measure M2 (M2) seven-year CIP to OCTA by June 30?		
	a. Did you utilize the required OCTA CIP database?		
	b. Have you indicated what percentage of funding will come from each source for each of included projects required to demonstrate compliance with signal synchronization, pavement maintenance and environmental clean-up the projects commitments?		
	c. Are there any non-transportation related projects included in your M2 CIP? Have you listed projects in current year dollars?		
	d. Did you include all projects that are partially, fully, or potentially funded by M2 Net Revenues?		
	e. The City Council/Board of Supervisors approval date* to adopt the final 7-Year CIP is:*Must be prior to July 31		
Mai	ntenance of Effort (MOE)	YES	NO
2.	Did you submit the MOE certification form (Appendix I) to OCTA by June 30?		
	a. Did you provide supporting budget documentation?		
	b. Has the MOE Reporting form been signed by the Finance Director or appropriate designee?		
Pav	ement Management Program (PMP)	YES	N/A
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? If you are not required to submit a PMP update, check N/A. Refer to Exhibit 3 for PMP submittal schedule.		
	a. If yes, did you use the current PMP <u>Submittal Template</u> <u>Certification form</u> (Appendix F)?		
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Program?		
4.	If you answered "N/A" to question 3, did you submit a PMP Update to OCTA through the previous eligibility cycle by June 30?		
Res	olution of Master Plan of Arterial Highways (MPAH) Consistency	YES	N/A
5.	Did you submit a resolution demonstrating consistency with the MPAH?		
	a. Have you enclosed a figure representing your most current circulation element?		
6.	If the requirement is not due as part of the current cycle, has there been an update to the circulation element since the last report period? If yes, include a copy of the latest circulation element.		
Loc	al Signal Synchronization Plan (LSSP)	YES	N/A
7.	Did you adopt and submit an update to the LSSP as part of the current cycle?		
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?		



APPENDIX D

Eligibility Checklist

Time	Limits for Use of Net Revenues	YES	NO
8.	Has your jurisdiction complied with the three-year time limit for the use of Net Revenues over the last year per the requirements outlined in the Ordinance?		
	a. If no, has a time extension been requested through the semi-annual review process for funds subject to expiration?		
Supp	planting of Developer Commitments	YES	NO
9.	Has your jurisdiction ensured they have not supplanted developer commitments for transportation projects and funding with M2 funds?		
Mitig	ation Fee Program (MFP)	YES	N/A
10.	Does your jurisdiction currently have a defined development impact MFP in place?		
<u>11.</u>	Has an update to the MFP occurred since the last reporting period?		
12.	If yes to 11, has your jurisdiction submitted a copy of the current MFP or City Council/Board of Supervisors approved policy?		
	a. Have you included a copy of your current impact fee schedule; or		
	b. Have you provided OCTA with a copy of your mitigation fee nexus study; or		
	c. Have you provided OCTA with a copy of your City Council/Board of Supervisors resolution approving the MFP?		
Planning Strategies		YES	NO
13.	Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?		
14.	Have you provided a letter identifying land use planning strategies that accommodate transit and non-motorized transportation consideration in the General Plan?		
Traff	ic Forums	YES	NO
15.	Did representatives of your jurisdiction participate in the regional traffic forum(s)?		
	a. If you answered yes, provide date of attendance:		
Cong	estion Management Program (CMP)	YES	N/A
16.	Has your jurisdiction completed the required CMP checklist? (Appendix C)		
	Name (Print) Signature	Da	ite

Appendix E: Sample PMP Resolution



[SAMPLE RESOLUTION FOR PAVEMENT MANAGEMENT PLAN ADOPTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF CONCERNING THE STATUS AND UPDATE OF THE PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M2 (M2) PROGRAM

WHEREAS, the local jurisdiction is required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.

WHEREAS, the local jurisdiction is required to adopt and update a Pavement Management Plan (PMP), using the required format, regarding the status of road pavement conditions and implementation of the PMP on a biennial basis; and

WHEREAS, the local jurisdiction is required to provide a plan that manages the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of ______ does hereby inform OCTA that:

- a) The PMP is in conformance with the PMP Submittal Template provided in the Countywide Pavement Management Plan Guidelines.
- b) The City/County hereby adopts a PMP and has provided an updated PMP report, using the required format, to OCTA.
- c) <u>The Public Works Director, City Engineer or designee is authorized to sign the PMP certification form.</u>

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].



Appendix F: PMP Submittal Template





Agency

Pavement Management Plan

Prepared by: [Author name] Submitted to OCTA:[Date]



Agency Submittal Table of Contents

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I. Pavement Management Plan Certification

The City/County of Type Here certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No. 3. This ordinance requires that a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by Type here* using Type here, a pavement management system, confirming to American Society of Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on Month, Year for Arterial (MPAH) streets and Month, Month for local streets.
- Assessment of pavement condition for all routes in the system, updated biennially. The last field review
 of pavement condition was completed on Month, Year.
- Percentage of all sections of pavement needing:
 - Preventative Maintenance: Type here%
 - o Rehabilitation: Type here%
 - o Reconstruction: Type here%
- Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
 - o Current biennial period \$Type here
 - Following biennial period \$Type here
- Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
 - Current biennial period \$Type here
 - Following biennial period \$Type here
- Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
- The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

Click here to enter text.	Click here to enter text.		
Name (Print)	Jurisdiction		
	Click here to enter a date.		
Signed	Date		
Click here to enter text.			
Title			

^{*}An electronic copy of the Pavement Management Plan (with Micro Paver or StreetSaver compatible files) has been, or will be, submitted with the certification statement.



II. Executive Summary

Click here to enter text.



III. Background (Optional)

Click here to enter text.



IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next <u>seven</u> fiscal years ("Today" is before June 30).

Fiscal Year	Current Funding	Entire Network PCI	МРАН	Local
Today	Click here to enter			
2018-19	Click here to enter			
2019-20	Click here to enter			
2020-21	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2021-22	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2022-23	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2023-24	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter			



VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	МРАН	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2018-19	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2019-20	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2020-21	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2021-22	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2022-23	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2023-24	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter	Click here to enter

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	МРАН	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2018-19	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2019-20	Click here to enter			
2020-21	Click here to enter			
2021-22	Click here to enter			
2022-23	Click here to enter			
2023-24	Click here to enter			
2024-25	Click here to enter			



VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2018-19	Click here to enter	Click here to enter	Click here to enter
2019-20	Click here to enter	Click here to enter	Click here to enter
2020-21	Click here to enter	Click here to enter	Click here to enter
2021-22	Click here to enter	Click here to enter	Click here to enter
2022-23	Click here to enter	Click here to enter	Click here to enter
2023-24	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	МРАН	Local Roads
Click here to enter	Click here to enter	Click here to enter



IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network	
Varia Cand	06 400	МРАН	Click here to enter%	Click here to enter	Click here to	Click here to enter	
Very Good	86-100	Local	Click here to enter%	Click here to enter	enter%	Click here to enter	
Good	75-85	МРАН	Click here to enter%	Click here to enter	Click here to	Click here to enter	
Good	75-65	Local	Click here to enter%	Click here to enter	enter%	Click here to enter	
Fair	60-74	МРАН	Click here to enter%	Click here to enter	Click here to	Click here to enter	
raii	00-74	Local	Click here to enter%	Click here to enter	enter%	Click here to enter	
Poor	41-59	МРАН	Click here to enter%	Click here to enter	Click here to	Click here to enter	
Poor	41-59	Local	Click here to enter%	Click here to enter	enter%	Click here to enter	
Versi De co	0.40	МРАН	Click here to enter%	Click here to enter	Click here to	Click here to enter	
Very Poor	0-40	0-40	Local	Click here to enter%	Click here to enter	enter%	Click here to enter



X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

b. Have road pavement conditions during the previous reporting period, within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

If applicable, please use the space below to justify the local agency's eligibility for a reduction in Local Match based on the statement above.

Click here to enter text.



XI. Appendix A — Seven-Year Road Maintenance and Rehabilitation Plan Based on Current *or* Expected Funding Level

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

МРАН									
	Limits of Work								
Street Name	From	То	Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment	

LOCAL									
	Limits of Work								
Street Name	From	То	Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment	

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.





XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

МРАН									
Street Name	From	То	Width of Segment	Area	Current PCI	Most Recent Inspection Date			

LOCAL						
Street Name	From	То	Width of Segment	Area	Current PCI	Most Recent Inspection Date

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.



XIII. Appendix C – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency's QA/QC policies:

Click here to enter text.

Objectives

This document constitutes a formal QA/QC Plan for the City/County. It was prepared on Select date and last revised on Select date.

Specifically, it is intended for the Year Applicable Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as "Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.")

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)'s "Countywide Pavement Management Plan Guidelines" (section 2.4), adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety



Condition Survey Procedures

The governing document in performing condition surveys for the Enter agency name is ASTM D6433 "Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys." Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

- 1. Alligator (fatigue) cracking
- 2. Bleeding
- 3. Block cracking
- 4. Bumps and sags
- 5. Corrugation
- 6. Depression
- 7. Edge cracking
- 8. Joint reflection cracking
- 9. Lane/Shoulder drop off
- 10. Longitudinal & Transverse cracking
- 11. Patching and utility cut patching
- 12. Polished aggregate
- 13. Potholes
- 14. Railroad crossing
- 15. Rutting
- 16. Shoving
- 17. Slippage cracking
- 18. Swell
- 19. Weathering
- 20. Raveling

Portland Cement Concrete (Jointed)

- 1. Blowup/buckling
- 2. Corner breaks
- 3. Divided slab
- 4. Durability ("D") cracking
- 5. Faulting
- 6. Joint seal damage
- 7. Lane/shoulder drop off
- 8. Linear cracking
- 9. Patching (large) and utility cuts
- 10. Patching (small)
- 11. Polished aggregate
- 12. Popouts
- 13. Pumping
- 14. Punchout
- 15. Railroad crossing
- 16. Scaling, map cracking and crazing
- 17. Shrinkage cracks
- 18. Spalling (corner)
- 19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. They are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as Indicate type of surveys – walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of Click here to enter field crew information (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate). The safety of field personnel is paramount in all instances.

The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogeneous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report.

A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.



Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within $\pm 10\%$ of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ±10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities changes medium or high severity cracking to low severity
- Patching activities alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.

Inspector's Qualifications and Experience

The Enter agency here inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA's requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter

Resumes of the technicians utilized on this project are included as an attachment.

Λ

Pavement Management Plan Agency Submittal

Safety Procedures

The Enter agency here administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in Enter document name here.

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- Enter safety protocol here

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---



XIV. Appendix D – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

The Pavement Management data files are attached here as a CD, or included as Appendix D

XV. Appendix E – GIS Maps – Current Conditions (Optional)

If included, attach and label Appendix E.

Appendix G: M2 Expenditure Report Template, Instructions & Resolution



Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

<u>Lines 1 – 12: Balances at Beginning of Fiscal Year</u>

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must agree with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Environmental Mitigation
0	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
Т	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" columns

Line 15: Total Monies Available

Sum of Lines 13 - 14 in the "Amount" and "Interest" columns

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" columns

Lines 17 - 28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must agree with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

M2 Expenditure Report Fiscal Year Ended June 30, 20___ Beginning and Ending Balances

Desc	ription	Line No.	Amount	Interest
Balaı	nces at Beginning of Fiscal Year			
A-M	Freeway Environmental Mitigation	1		
0	Regional Capacity Program (RCP)	2		
Р	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
Т	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)	13		
	Monies Made Available During Fiscal Year	14		
	Total Monies Available (Sum Lines 13 & 14)	15		
	Expenditures During Fiscal Year	16		
	Balances at End of Fiscal Year			
A-M	Freeway Environmental Mitigation	17		
0	Regional Capacity Program (RCP)	18		
Р	Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q	Local Fair Share	20		
R	High Frequency Metrolink Service	21		
S	Transit Extensions to Metrolink	22		
Т	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	24		
V	Community Based Transit/Circulators	25		
W	Safe Transit Stops	26		
X	Environmental Cleanup Program (Water Quality)	27		
	Other*	28		

^{*} Please provide a specific description

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1 - 12: Report the Following Revenue Sources and Interest on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation
0	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
Т	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Total Revenues

Sum of Lines 1 - 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

<u>Lines 14 - 25: Report the Following Expenditures on the Appropriate Line</u>

Project	Description
A-M	Freeway Environmental Mitigation
0	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
Т	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum of Lines 14 - 25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" columns)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" columns

M2 Expenditure Report Fiscal Year Ended June 30, 20___ Sources and Uses

	Description	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Environmental Mitigation	1		
0	Regional Capacity Program (RCP)	2		
Р	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
	Expenditures:			
A-M	Freeway Environmental Mitigation	14		
0	Regional Capacity Program	15		
Р	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
R	High Frequency Metrolink Service	18		
S	Transit Extensions to Metrolink	19		
Т	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	21		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

^{*} Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Administration (Indirect and/or Overhead)

This line covers transportation related local agency costs that <u>cannot be readily identified to a specific projectare identified with a project and are not included as direct charges</u>. The costs listed in this line item represent an equitable share of expenditures for the supervision and management of streets and roads activities not directly allocated to right-of-way, construction, or other categories. <u>Allocations must be based on a reasonable, documented methodology.</u>

This includes, but is not limited to:, salaries of project management and support staff.

Payroll General accounting/finance

<u>Personnel</u> <u>Departmental accounts/finance</u>

<u>Purchasing/Procurement</u> <u>Facilities</u>

Advertising Data processing
Legal costs Top management

<u>General government</u> <u>Bids</u>

Lines 2 - 7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead agency as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum of Lines 2 - 7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.

- The court costs of condemnation proceedings.
- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained due to the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum of Lines 8-9

Line 11 - 15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum of Lines 11 - 15

Line 17: Other

Please provide description for other categories. For example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc.

Line 18: Grand Totals

Sum of Lines 1, 10, 16, and 17

City	Count	v of:	Schedu	le 3

M2 Expenditure Report Fiscal Year Ended June 30, 20____ Streets and Roads Detailed Use of Funds

Type of Expenditure	Line Item	MOE ²	Developer / Impact Fee ⁺	0	0 Interest	P	P Interest	Q	Q Interest	Х	X Interest	Other M2 ³	Other M2 Interest	Other*	TOTAL
Administration (Indirect and/or Overhead)	1														\$
Construction & Right-of- Way															
New Street Construction	2														\$
Street Reconstruction	3														\$
Signals, Safety Devices, & Street Lights	4														\$
Pedestrian Ways & Bike paths	5														\$
Storm Drains	6														\$
Storm Damage	7														\$
Total Construction ¹	8														\$
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance															
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance ¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

 $^{^{1}}$ Includes direct charges for staff time 2 Local funds used to satisfy maintenance of effort (MOE) requirements

³ Other M2 includes A-M, R, S, T, U, V, and W + Transportation related only * Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of Local Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M2 (M2) Local Fair Share funding. Please include the total amount of **M2 Local Fair Share** funds **only** that were expended.

City/County of:	Schedule 4
city/ country or.	Schicadic 4

M2 Expenditure Report Fiscal Year Ended June 30, 20____ Local Fair Share Project List

PROJECT NAME	AMOUNT EXPENDED
	\$

City/County of:	Signature Page
M2 Expenditure F Fiscal Year Ended June	
I certify that the interest earned on Net Revenues allocated purs those purposes for which the Net Revenues were allocated an accurate to the best of my knowledge:	
Director of Finance (Print Name)	Date

Signature

[EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR
THE CITY/COUNTY OF
WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.
WHEREAS, local jurisdictions are required to adopt an annual Expenditure Report as part one of the eligibility requirements.
WHEREAS, local jurisdictions are required to adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the local jurisdiction in the Expenditure Report that satisfy the Maintenance of Effort requirements; and
WHEREAS, the Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and
WHEREAS, the Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.
NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of does hereby inform OCTA that:
a) The Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year and balances at the end of fiscal year.
b) The M2 Expenditure Report is hereby adopted by the City/County of
c) The City/County of Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending
PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].



Appendix H: Arterial Highway Mileage Change Report





APPENDIX H

Arterial Highway Change Report

Jurisdiction:	
Jurisdiction:	

			_	_				
Street Name	Date Added	Date Deleted	From	То	8-Lane	6-Lane	4-Lane	Total Centerline
					Centerline Miles	Centerline Miles	Centerline Miles	Miles
					rincs	Miles	Pilics	Pilics
								1
								1
-								
	ı	1		Subtotals:				



Appendix I: Maintenance of Effort Reporting Form





APPENDIX I

Maintenance of Effort (MOE) Reporting Form

MAINTENANCE	Total Expenditure
Subtotal Maintena	nce \$
CONSTRUCTION	Total Expenditure
Subtotal Construct	tion \$
INDIRECT ADMINISTRATIVE/OTHER	Total Expenditure
Subtotal <u>Indirect</u> Administration /Ot	:her \$
Total General Fund Transportation Expenditu	ures \$
Total General Fund Transportation Expenditu (Less Total MOE Exclusio	ures \$ ns¹) \$
Total General Fund Transportation Expenditu	ures \$ ns¹) \$
Total General Fund Transportation Expenditu (Less Total MOE Exclusio	ures \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Total General Fund Transportation Expenditu (Less Total MOE Exclusio MOE Expendit u	ures \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Total General Fund Transportation Expenditu (Less Total MOE Exclusio MOE Expenditu MOE Benchmark Requirem	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

 1 Funding sources include Measure M, federal, state, redevelopment, and bond financing.



Appendix J: Acronyms





APPENDIX J

Acronyms

Acronym	Description
AHRP	Arterial Highway Rehabilitation Program
CCI	Construction Cost Index
CFD	Community Facilities District
CIP	Capital Improvement Program
CMP	Congestion Management Program
CTFP	Comprehensive Transportation Funding Programs
ECP	Environmental Cleanup Program (Project X)
LAFCO	Local Agency Formation Commission
LOS	Level of Service
LSSP	Local Signal Synchronization Plan
MOE	Maintenance of Effort
MPAH	Master Plan of Arterial Highways
OCTA	Orange County Transportation Authority
OCTC	Orange County Transportation Commission
PCI	Pavement Condition Index
PMP	Pavement Management Plan
RCP	Regional Capacity Program (Project O)
RTSSMP	Regional Traffic Signal Synchronization Master Plan (Project P)
SCAQMD	South Coast Air Quality Management District
TAC	Technical Advisory Committee
TDM	Traffic Demand Management
TOC	Taxpayer Oversight Committee
TOD	Transit Oriented Development
TSC	Technical Steering Committee



Plan Guidelines

April 2018







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Chapter 1 – Introduction

On November 6, 1990, the voters in Orange County approved a $\frac{1}{2}$ -cent sales tax for transportation improvements known as Measure M. This sales tax includes funding for streets and roads that is available to local agencies through both a formula distribution and a competitive process. On November 6, 2006, voters approved a renewal of Measure M to continue the $\frac{1}{2}$ -cent sales tax for thirty years, beginning in 2011.

Background

The primary goal of these guidelines is to ensure consistent field data collection and reporting procedures so that countywide funding allocations can be based on agency comparable pavement conditions.

Given that all agencies are using uniform data collection procedures, OCTA can answer typical questions such as:

- What is the average countywide condition of local streets and roads? For individual streets? For Arterial Highways?
- Which streets have a higher priority and need to be funded first?
- How much does it cost to bring them up to an acceptable condition?
- How much will it cost to maintain them in an acceptable condition over the next seven years or more?
- What are the impacts on pavement condition at the existing funding levels?

Training is provided, periodically, by OCTA to maintain consistency in data collection procedures and assist local agencies in the use of pavement management software.

The key is to ensure a <u>reliable</u>, <u>consistent</u>, and <u>uniform</u> approach to data collection.

Effective April 2018



Eligibility Requirements

One of the eligibility requirements included in Measure M2 (M2) specifies that each local jurisdiction must adopt and update a Pavement Management Plan (PMP) every two years. All agencies must use a common format as part of the countywide pavement management effort conforming to American Society for Testing and Materials (ASTM) Standard D6433. In 2010, the Orange County Transportation Authority (OCTA) adopted MicroPaver as the countywide standard PMP software and all agencies participating in M2 were required to adopt this software for consistency in reporting pavement management conditions. In 2011, all local agencies submitted PMPs that were in conformance with the requirements in the PMP Guidelines. Local agencies may now also utilize StreetSaver, since it is in conformance with ASTM Standard D6433. The PMP must include:

- The current status of road pavement conditions;
- A seven-year plan for road maintenance and rehabilitation (including projects, funding, and any unfunded backlog of pavement needs);
- The projected pavement condition resulting from the maintenance and rehabilitation plan; and
- Alternative strategies and costs necessary to improve road pavement conditions.

Local Match Reduction

In addition to the above requirements, a local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local jurisdiction either:

a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

b. Road pavement conditions during the previous reporting period within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

Effective April 2018



Chapter 2 – Pavement Management Plan Guidelines

These guidelines and procedures are necessary for Orange County agencies to implement and update their PMPs with respect to conducting condition surveys. This is required to certify conformance with the criteria stated in OCTA's Ordinance No. 3. This ordinance requires that a PMP be in place and maintained to qualify for an allocation of net revenues generated from M2. A copy of Ordinance No. 3 is available from OCTA. PMP Certification is part of the submittal required for each agency (see Appendix A).

The pavement management guidelines are discussed under the following categories:

- 1. Condition Survey Protocols
- 2. Inspection Frequency
- 3. Countywide Assessment Standards
- 4. Quality Assurance/Quality Control (QA/QC) Plan
- 5. Re-inspections
- 6. Prequalification/Calibration of Inspectors
- 7. Pavement Management Software Training
- 8. Pavement Management Data Files

Condition Survey Protocols

In 1998, OCTA adopted condition survey protocols that required the collection of certain surface distresses as a minimum for both asphalt concrete and Portland cement concrete pavements. These distresses were common to the variety of pavement management systems then in use by Orange County local agencies. Based on the usage of a common county-wide software, it is now possible to include all of the distresses in ASTM Standard D6433 "Standard Practice for Roads and Parking Lots Pavement Condition Index Surveys" in these Guidelines. These surface distresses are as follows:

Asphalt Concrete (AC)

- 1. Alligator or Fatigue Cracking
- 2. Bleeding
- 3. Block Cracking
- 4. Bumps and Sags
- 5. Corrugation
- 6. Depression
- 7. Edge Cracking
- 8. Joint Reflection Cracking
- 9. Lane/ Shoulder Drop-off
- 10. Longitudinal Cracking
- 11. Patching and Utility Cut Patching
- 12. Polished Aggregate
- 13. Potholes
- 14. Railroad Crossing
- 15. Rutting
- 16. Shoving
- 17. Slippage Cracking
- 18. Swell
- 19. Raveling
- 20. Weathering (Surface Wear)

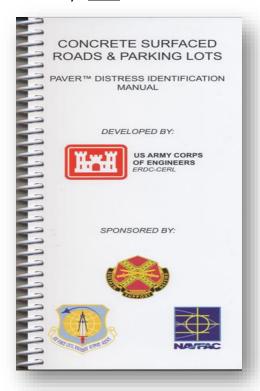
Portland Cement Concrete (PCC)

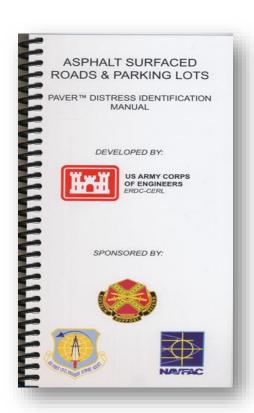
- 1. Blowup/ Buckling
- 2. Corner Break
- 3. Divided Slab
- 4. Durability ("D") Cracking
- 5. Faulting
- 6. Joint Seal Damage
- 7. Lane/ Shoulder Drop-Off
- 8. Linear Cracking
- 9. Patching, Large And Utility Cuts
- 10. Patching, Small
- 11. Polished Aggregate
- 12. Popouts
- 13. Pumping
- 14. Punchout
- 15. Railroad Crossing
- 16. Scaling
- 17. Shrinkage Cracks
- 18. Spalling, Corner
- 19. Spalling, Joint



The distress definitions, severity levels, and measurement methods are based on criteria described in Pavement Management for Airports, Roads and Parking Lots¹. This reference has been formalized as ASTM Standard D6433². ASTM's copyright does not allow for electronic distribution or copying of this standard. However, a link to purchase the standard is included in the footnote. OCTA's guidelines follow ASTM D6433, with a few minor exceptions.

In addition, field manuals are available from the American Public Works Association (APWA)^{3,4}. The field manuals include photographs of distress types and detailed descriptions and definitions, and are intended for the field inspector. All personnel involved with inspection or performing condition surveys must have read and understood these manuals.





Note that both ASTM D6433 and these field manuals contain 20 distresses and 19 distresses for AC and PCC pavements, respectively. These distresses are now required for data collection.

OCTA allows windshield, walking, and calibrated automated surveys. It is recommended that windshield surveys be supplemented with walking surveys.

¹ Shahin, M.Y. Pavement Management for Airports, Roads and Parking Lots, Chapman & Hall, 1994.

² ASTM D6433 – Standard Practice for Roads and Parking Lots Pavement Condition Index Surveys. A copy may be purchased at http://www.astm.org/Standards/D6433.htm.

³Paver Distress Identification Manual: Asphalt-Surfaced Roads and Parking Lots, U.S. Army Corps of Engineers, Construction Engineering Research Laboratories, June 2009. To purchase, go to www.apwa.net.

⁴ Paver Concrete Distress Identification Manual: Concrete Surfaced Roads and Parking Lots, U.S. Army Corps of Engineers, Construction Engineering Research Laboratories, June 2009. To purchase go to www.apwa.net.



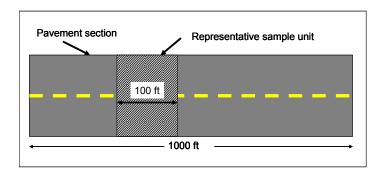
In a <u>windshield survey</u>, the inspector travels in a vehicle at slow speeds (5 to 10 mph) and observes the pavement condition from within the vehicle. The entire length of the pavement section is driven and observed. A driver is required for safety reasons, with the inspector/recorder in the passenger side of the vehicle. The inspector should have a list of street sections to be surveyed and a planned route.

The entire pavement section is surveyed, and the distress data are estimated and recorded. In situations where the distresses need closer examination, or where there are difficulties in observation, the inspector should stop the vehicle and walk the pavement section to verify the distresses observed from the vehicle.

All field data collection procedures should conform to the local agency's safety practices and should be included in the QA/QC Plan (see Appendix A).

When <u>walking surveys</u> are used, the following procedure should be followed:

 Each pavement section must be inspected using sample units. Individual sample units should be representative of the pavement section conditions and may be marked or identified to allow easy location for quality control purposes. Paint marks along the edge or sketches with locations connected to physical pavement features are acceptable. The figure below illustrates the definition of a pavement section and a representative sample unit.



- 2. The area of AC sample units should be 2500±1500 square feet, and for PCC sample units, this should be 20±8 slabs. The total inspected area or slabs for a pavement section must be at least 10% of the total pavement section area or slabs. This is an exception to the procedure described in ASTM D6433.
 - For example, a pavement section 950 feet long and 32 feet wide must have at least one sample unit (typically 100 feet long x 32 feet wide = 3200 sf). Longer sections will require multiple sample units.
- 3. Additional sample units are to be inspected only when non-representative distresses are observed. Typically, these will be distresses that are localized in nature and not representative of the entire pavement section e.g. high severity alligator cracking found near bus pads, rutting in intersections, distresses due to landscape watering/ponding etc.
- 4. Conduct the distress inspection by walking on the pavement shoulder or sidewalk adjacent to the sample unit being surveyed, measuring the quantity of each severity level of every distress type present, and recording the data. Each distress must correspond in type and severity to that described in the <u>Paver Distress Identification Manuals</u>.



5. A copy of the recorded distress data should be provided on a weekly basis to the responsible agency personnel for quality assurance.

It should be noted that windshield surveys, while reasonably fast and inexpensive, do have shortcomings. Chief among these are that low severity distresses are difficult to identify in this procedure, and consequently, the PCI may be significantly higher than it ought to be. A pavement may therefore be selected for a slurry seal when a thin overlay is more appropriate or for a thin overlay when a thick overlay is more appropriate. This may result in treatments that are not cost-effective.

When certain pavements are a high priority (usually those with high traffic volumes or other distinctive features) for a local agency, walking surveys are preferred to ensure that all pertinent distresses are captured, although windshield surveys are the minimum standard. For residential or local streets, windshield surveys are acceptable.

When automated or semi-automated surveys are used, the following procedure should be followed.

The Local Agency should:

- Establish a series of test sites
- Determine the distress data on those sites using a walking survey
- Compare the data from the automated equipment with the walking survey data.

It is desirable for the PCI values from the automated survey to be within plus or minus 5 PCI points of the values obtained from the walking survey. However, plus or minus 10 PCI points is generally considered acceptable. Any site with a difference greater than 10 PCI points should be carefully rechecked to determine the cause for the discrepancy. The agency must then make a judgement whether the automated data is acceptable.

OCTA's role is limited to the evaluation of the distress data submitted by the agencies and does not include a verification or evaluation of the automated equipment or procedure used by the agency submitting the automated survey.

Inspection Frequency

All streets identified on the MPAH must be surveyed at least once every two years. All local streets must be surveyed at least once every six years. This is a requirement of OCTA's PMP certification program.



Countywide Assessment Standards

In 1998, OCTA adopted the countywide pavement condition assessment standards for treatments as shown in Table 2.1.

Table 2.1 Pavement Condition Assessment Standards

Pavement Quality	PCI Thresholds	Funded Treatment
Very Good	86-100	None
Good	75-85	Surface seal*
Fair	60-74	Thin overlay
Poor	41-59	Thick overlay
Very Poor	0-40	Reconstruction

^{*} Not eligible for CTFP competitive funding program

Note that Table 2.1 does NOT preclude other treatments that a local agency may choose to select or use. Indeed, there have been many new pavement technologies and techniques introduced since 1998 that a local agency should consider for preventive maintenance, and which may be funded under the M2 Fair Share program. The treatments in Table 2.1 are intended to identify the types of treatments that OCTA will fund under the competitive grant program only.

Quality Assurance/Quality Control (QA/QC) Plan

A QA/QC plan must be prepared by all agencies. The purpose of the QA/QC plan is to ensure that all procedures used to collect distress data comply with OCTA's guidelines and result in the delivery of a quality data product. The QA/QC plan should also provide for corrective actions when deficiencies are encountered. As a minimum, the following components must be included:

- a. Description of condition survey procedures (distress types, severities) or reference to the relevant documents in Chapter 3. All procedures, changes or modifications should be well documented in the QA/QC plan so that future updates will be consistent. In particular, unique situations are especially important and their documentation should be included.
- b. How data will be collected (windshield, walking, automated or combination of methods).
- c. Accuracy required for data collection.
- d. Description of how data will be checked for accuracy by agency e.g. re-inspections.
- e. Schedule for when data will be submitted to local agency staff.
- f. Experience of inspectors including past training on condition surveys or calibration procedures.
- g. Field data collection safety procedures.

Any findings that may compromise data integrity and consistency should be discussed and



corrected. Examples of these include differences in survey methods from the last update (e.g. changing from windshield to walking surveys), collecting additional distress types and unique situations that may not lend themselves to existing condition survey procedures (e.g. gap-graded mixes, edge cracking with unpaved shoulders).

Prior to performing any work, local jurisdictions must review the QA/QC plan with inspection personnel.

A copy of the QA/QC plan must be submitted to OCTA together with the PMP certification.

Re-inspections

As part of any QA/QC process, it is essential to re-inspect portions of the network with different personnel than those performing the condition surveys. Re-inspections should be performed within one month of the original date of collection as pavement data will change with time, and during the winter, may change very rapidly.

The data to be re-inspected should include distress types, severities and quantities collected during the survey. At least 5% of the pavement sections should be re-inspected.

The selected sections for re-inspections should be representative of the local agency's network. This should include sections from:

- All functional classifications (i.e. MPAH and residential/local)
- All surface types (i.e. AC and PCC)
- Entire range of pavement conditions (i.e. good, fair, poor)
- All significant changes in PCI (i.e. sections with more than ±10 PCI points a year with no plausible explanations should be targeted for re-inspections)
- All inspectors
- Different geographical areas

Acceptability Criteria

In general, inspectors should identify distress types accurately 95% of the time. Linear measurements should be considered accurate when they are within $\pm 10\%$ if re-measured, and area measurements should be considered accurate when they are within $\pm 20\%$ if re-measured.

For the data to be acceptable, 90% of the re-inspected sections must be within ± 10 PCI points.

If the results of the re-inspections do not meet the above criteria, all inspections should be immediately halted and any differences should be identified and discussed. Corrective actions should be taken immediately. The local jurisdiction should then perform re-inspections of an additional 5% of the pavement sections.



Prequalification/Calibration of Inspectors

Prequalification or calibration of inspectors ensures that proper procedures are followed and that the results obtained are within acceptable variability ranges. This will be implemented by OCTA staff.

Briefly, the procedures to prequalify or calibrate inspectors are as follows:

- a. OCTA will select approximately 20 pavement sections to be used as control or test sites. Collectively, the control sites should exhibit common distress types and levels of severity that will be encountered in the pavement network and should be across all functional classes, pavement age, surface type, pavement condition and distresses.
- b. Inspect the sections manually (walking survey) using at least two different experienced inspectors and the established survey protocols (Appendix A and ASTM D6433), including any modifications. This will establish the baseline PCI for each control section.
- c. The candidate inspectors should then survey the same pavement sections within one month of the control surveys established in Step (b). The data for the sections should be collected and submitted to OCTA as soon as they are completed.
- d. OCTA will calculate the PCIs based on the survey data collected by inspectors.
- e. Compare the control PCI data with survey results by candidate inspectors. Identify the differences and areas of consistency improvement variability.

Acceptability Criteria

The criteria for acceptability are:

a. $nRMSE \le 1.04$ where:

$$nRMSE = \sqrt{\frac{\sum_{i=1}^{n} \left(\frac{RPCI_{i} - BPCI_{i}}{SD_{PCI}}\right)^{2}}{n}}$$

Where:

nRMSE = Normalized root mean square error or deviation

RPCI_i = Reported PCI for control section i

 $BPCI_i = Baseline PCI$ for control section i

n = Number of control sections

and

$$SD_{PCI} = \frac{100 - BPCI}{3.6}$$

b. Inspectors that obtain nRMSE values higher than 1.04 will be allowed to re-inspect and re-submit PCI values for three control sections. OCTA will indicate the three control sections where the inspectors showed the highest deviations from the baseline survey. Re-inspections are allowed only once. The normalized root mean square error (nRMSE) will be recalculated and the criteria described at point (a) applied.



- c. All inspections must be performed independently by each inspector.
- d. Inspectors will be individually pregualified
- e. At least one inspector of a consultant firm or local agency staff must be prequalified <u>for</u> a <u>submitted Pavement Management Plan to be considered compliant with these</u> Guidelines.

Pavement Management Software Training

Local agencies may utilize either MicroPAVER or StreetSaver® software for their PMPs, as long as they conform to ASTM D6433 and these guidelines. At least one representative of the local jurisdiction must be familiar with the PMP software utilized, and have attended one training class. In the case of MicroPAVER, training classes are conducted regularly. The American Public Works Association (APWA) conducts "hands-on" MicroPAVER training classes for a fee, at least once a year (see www.apwa.net for more information). Web-based training programs on specific modules are also available for a fee and broadcast schedules are periodically posted on the APWA website.

The Metropolitan Transportation Commission (MTC) provides free training classes on their StreetSaver® software program as well as field condition surveys. Typically, two field training classes are conducted annually; one in Northern California and one in Southern California (see www.mtcpms.org for more information). There are enough similarities between StreetSaver's and MicroPAVER's condition surveys that this training class will benefit any inspector new to the process.

OCTA offers limited software and field training focusing on those items to be included in the biennial PMP submittals. This training is sufficient to satisfy the training requirement of these Guidelines.

Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of <u>each</u> section
- Length, widths and true areas
- Functional Classification (MPAH, local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment.

Public alleys formally accepted as part of the local agency's street system may be included in the MP submittal at the local agency's option. Public parking lots and private streets shall not be included in this submittal.



Chapter 3 - Agency Submittals

Local agencies must submit to OCTA the following as part of the biennial certification:

- 1. PMP Agency Submittal Checklist Template (See Appendix A)
- 2. PMP certification (see Appendix B Page A-5)
- 3. QA/QC plan (see Appendix C Model QA/QC Plan Pages A-15 A-19)
- 4. Pavement management data files in a form useable by OCTA (see Section Page 2-8)
- 5. PMP "hard copies" which include the following:
 - a. Average (weighted by area) PCI as of June 30 of the submittal year for:
 - Entire pavement network
 - ii. MPAH roadways
 - iii. Local streets
 - b. Projected PCI under existing funding levels, by year, over the next seven years for:
 - i. Entire pavement network
 - ii. MPAH roadways
 - iii. Local streets
 - c. Seven-year plan for road maintenance and rehabilitation based on current and projected budget, identifying street sections selected for treatment. Specific data to be submitted are:
 - i. Street name
 - ii. Limits of work
 - iii. Lengths, widths
 - iv. Pavement areas
 - 1. Each street
 - 2. Total area for local streets
 - 3. Total area for MPAH roadways
 - 4. Total area for entire public streets network
 - v. Functional classification (i.e. MPAH or local street)
 - vi. PCI and most recent date of inspection
 - vii. Type of treatment
 - viii. Cost of treatment
 - ix. Year of treatment
 - d. Alternative funding levels required to:
 - i. Maintain existing average network PCI
 - ii. To improve average network PCI
 - e. Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
 - f. Centerline mileage for MPAH, local streets, and total network.
 - q. Percentage of total network in each of the five condition categories based on centerline miles.
- 6. In order to be eligible for the local match reduction of 10%, the local jurisdiction must either:
- Show measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one PCI point with no reduction in the overall weighted (by area) average PCI in the MPAH or local street categories;

or

b. Have road pavement conditions for the overall network during the previous reporting period within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher.



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Appendix A – Pavement Management Plan Submittal Template

The following template shall be used to submit the required Pavement Management Plan to OCTA. The Word document is available for download at octa.net/Eligibility.



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Agency

Pavement Management Plan

Prepared by: [Author Name]
Submitted to OCTA:[Date]



Agency Submittal Table of Contents

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I. Pavement Management Plan Certification

The City/County of Type Here certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No. 3. This ordinance requires that a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by Type here* using Type here, a pavement management system, conforming to American Society of Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on Month, Year for Arterial (MPAH) streets and Month, Month for local streets.
- Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed on Month, Year.
- Percentage of all sections of pavement needing:
 - Preventative Maintenance: Type here%
 - Rehabilitation: Type here%Reconstruction: Type here%
- Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
 - Current biennial period \$Type here
 - Following biennial period \$Type here
- Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
 - Current biennial period \$Type here
 - o Following biennial period \$Type here
- Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
- The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

A copy of this certification is being provided to the Orange County Transportation Authority.

Su	br	ni	tte	d	by:

Click here to enter text.	Click here to enter text.	
Name (Print)	Jurisdiction	
	Click here to enter a date.	
Signed	Date	
Click here to enter text.		
Title (Public Works Director and/or City		
Engineer)		

^{*}An electronic copy of the Pavement Management Plan (with Micro Paver or StreetSaver compatible files) has been, or will be, submitted with the certification statement.



II. Executive Summary

Click here to enter text.



III. Background (Optional)

Click here to enter text.



IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next <u>seven</u> fiscal years ("Today" is before June 30).

Fiscal Year	Current Funding	Entire Network PCI	МРАН	Local
Today	Click here to	Click here to	Click here to	Click here to
	enter	enter	enter	enter
2018-19	Click here to	Click here to	Click here to	Click here to
2016-19	enter	enter	enter	enter
2019-20	Click here to	Click here to	Click here to	Click here to
2019-20	enter	enter	enter	enter
2020-21	Click here to	Click here to	Click here to	Click here to
2020-21	enter	enter	enter	enter
2021-22	Click here to	Click here to	Click here to	Click here to
2021-22	enter	enter	enter	enter
2022-23	Click here to	Click here to	Click here to	Click here to
2022-23	enter	enter	enter	enter
2022.24	Click here to	Click here to	Click here to	Click here to
2023-24	enter	enter	enter	enter
2024.25	Click here to	Click here to	Click here to	Click here to
2024-25	enter	enter	enter	enter



VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	МРАН	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2018-19	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2019-20	2019-20 Click here to enter		Click here to enter	Click here to enter
2020-21	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2021-22	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2022-23	Click here to		Click here to Click here to enter enter	
2023-24	2023-24 Click here to enter		Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter	Click here to enter

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	МРАН	Local
Today	Click here to	Click here to	Click here to	Click here to
Today	enter	enter	enter	enter
2018-19	Click here to	Click here to	Click here to	Click here to
2010-13	enter	enter	enter	enter
2019-20	Click here to	Click here to	Click here to	Click here to
2019-20	enter	enter	enter	enter
2020-21	Click here to	Click here to	Click here to	Click here to
2020-21	enter	enter	enter	enter
2021-22	Click here to	Click here to	Click here to	Click here to
2021-22	enter	enter	enter	enter
2022-23	Click here to	Click here to	Click here to	Click here to
2022-23	enter	enter	enter	enter
2023-24	Click here to	Click here to	Click here to	Click here to
2023-24	enter	enter	enter	enter
2024-25	Click here to	Click here to	Click here to	Click here to
2024-25	enter	enter	enter	enter



VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2018-19	Click here to enter	Click here to enter	Click here to enter
2019-20	Click here to enter	Click here to enter	Click here to enter
2020-21	Click here to enter	Click here to enter	Click here to enter
2021-22	Click here to enter	Click here to enter	Click here to enter
2022-23	Click here to enter	Click here to enter	Click here to enter
2023-24	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	МРАН	Local Roads	
Click here to enter	Click here to enter	Click here to enter	



IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network
		МРАН	Click here	Click here		Click here
Very Good	86-100		to enter%	to enter	Click here	to enter
10., 000	33 233	Local	Click here	Click here	to enter%	Click here
		Locui	to enter%	to enter		to enter
		МРАН	Click here	Click here		Click here
Good	75-85	IVIPAN	to enter%	to enter	Click here	to enter
Good		Local	Click here	Click here	to enter%	Click here
		Locai	to enter%	to enter		to enter
		МРАН	Click here	Click here		Click here
Fair	60-74	IVIPAH	to enter%	to enter	Click here to enter%	to enter
rair	60-74	Local	Click here	Click here		Click here
		LOCUI	to enter%	to enter		to enter
		N 4 D A L L	Click here	Click here		Click here
Door	41 50	MPAH	to enter%	to enter	Click here	to enter
Poor	Poor 41-59	Local	Click here	Click here	to enter%	Click here
	Local	to enter%	to enter		to enter	
			Click here	Click here		Click here
Voru Boor	Very Deer 0.40	MPAH	to enter%	to enter	Click here	to enter
Very Poor	0-40	Local	Click here	Click here	to enter%	Click here
		Local	to enter%	to enter		to enter



X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

b. Have road pavement conditions during the previous reporting period, within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

If applicable, please use the space below to justify the local agency's eligibility for a reduction in Local Match based on the statement above.

Click here to enter text.



XI. Appendix A – Seven-Year Road Maintenance and Rehabilitation Plan Based on Current *or* Expected Funding Level

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

МРАН								
	Limits o	of Work						
Street Name	From	То	Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment

LOCAL								
	Limits o	of Work						
Street Name	From	То	Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.



XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

МРАН								
Street Name	From	То	Width of Segment	Area	Current PCI	Most Recent Inspection Date		

LOCAL							
Street Name	From	То	Width of Segment	Area	Current PCI	Most Recent Inspection Date	

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.



XIII. Appendix C – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency's QA/QC policies:

Click here to enter text.

Objectives

This document constitutes a formal QA/QC Plan for the City/County. It was prepared on Select date and last revised on Select date.

Specifically, it is intended for the Year Applicable Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as "Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.")

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)'s "Countywide Pavement Management Plan Guidelines" (section 2.4), originally adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety



Condition Survey Procedures

The governing document in performing condition surveys for the Enter agency name ASTM D6433 "Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys." Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

- 1. Alligator (fatigue) cracking
- 2. Bleeding
- 3. Block cracking
- 4. Bumps and sags
- 5. Corrugation
- 6. Depression
- 7. Edge cracking
- 8. Joint reflection cracking
- 9. Lane/Shoulder drop off
- 10. Longitudinal & Transverse cracking
- 11. Patching and utility cut patching
- 12. Polished aggregate
- 13. Potholes
- 14. Railroad crossing
- 15. Rutting
- 16. Shoving
- 17. Slippage cracking
- 18. Swell
- 19. Weathering
- 20. Raveling

Portland Cement Concrete (Jointed)

- 1. Blowup/buckling
- 2. Corner breaks
- 3. Divided slab
- 4. Durability ("D") cracking
- 5. Faulting
- 6. Joint seal damage
- 7. Lane/shoulder drop off
- 8. Linear cracking
- 9. Patching (large) and utility cuts
- 10. Patching (small)
- 11. Polished aggregate
- 12. Popouts
- 13. Pumping
- 14. Punchout
- 15. Railroad crossing
- 16. Scaling, map cracking and crazing
- 17. Shrinkage cracks
- 18. Spalling (corner)
- 19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. These are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as Indicate type of surveys — walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of Click here to enter field crew information (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate). The safety of field personnel is paramount in all instances.

Countywide Pavement Management Plan Guidelines



The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogeneous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report. A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.



Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within ±10% of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ±10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities changes medium or high severity cracking to low severity
- Patching activities alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.



Inspector's Qualifications and Experience

The Enter agency here inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA's requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:	
Click here to enter	Click here to enter	Click here to enter	
Click here to enter	Click here to enter	Click here to enter	

Resumes of the technicians utilized on this project are included as an attachment.

Safety Procedures

The Enter agency here administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in Enter document name here.

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear a Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- Enter safety protocol here.

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---



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XIV. Appendix D – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

The Pavement Management data files are attached here as a CD, or included as Appendix D



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XV. Appendix E – GIS Maps – Current Conditions (Optional)

If included, attach and label Appendix E.



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Appendix B — Prequalified Pavement Inspection Consultants and Local Agencies

March 23, 2016 - Expires June 30, 2018

- 1. Bucknam Infrastructure Group
- 2. City of Cypress
- 3. Civil Source, Inc.
- 4. Dynatest
- 5. Fugro

- 6. GIE
- 7. NCE
- 8. Onward Engineering
- 9. City of Orange

April 21, 2017 – Expires June 30, 2019

- 1. Adhara Systems, Inc.
 - Jeff Vu
 - William Duong
- 2. Fugro Roadware, Inc.

(Automated)

- Shi Chang
- Thomas Burchett
- 3. GMU
 - Armando Roa
 - Ashley Varni
- 4. Harris & Associates
 - Marissa Baclig
 - Mike DeVila
 - Paul Muse
 - Vijay Pulijal

- 5. IMS
 - Alan Sadowsky
 - David Butler
- 6. Marker Geospatial (Automated)
 - John Zimmer
 - Ken Huisaran
- <u>7.</u> NCE
 - David Na
 - Jacob Rajnowski
- 8. Twining
 - Adrian Moreno
 - Amir Ghavjbazoo
 - David Hanna Ford
 - Paul Soltis
- 9. Vanderhawk
 - Mat Huff

February 15, 2018 - Expires June 30, 2020

1. Bucknam Infrastructure Group

2. Dynatest

^{*} Firms prequalified at least one representative in both cycles (x) Number of inspectors prequalified



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Appendix C – Recommendations for Pavement Inspectors

Since 2011, OCTA has completed prequalification studies which involved more than 30 inspectors and over 60 different pavement control sections. From one prequalification cycle to the next, OCTA made an effort to streamline and improve the process by learning from the observations made during each prequalification cycle. Following are recommendations for inspectors interested in participating in the prequalification program:

General

- Inspectors should have in their possession the latest edition of the Paver pocket guides for easy reference to distress definitions and severity levels during field surveys.
- It is important to accurately measure crack width in order to correctly identify the severity of distress.
- It is strongly advised that inspectors have a second person watch for traffic while they are conducting the surveys. Visually approximating quantities of distress and severities will most certainly result in inaccurate estimates of the PCI.

PCC Pavements

- There are a limited number of concrete pavements in Orange County. The majority of these pavements are old and in some instances the slabs are more than 50 feet long. According to ASTM D6433, slabs longer than 9m (29.5 feet) must be divided into imaginary joints that are considered to be in perfect condition.
- Missing joint seal on concrete pavement is recorded as high severity joint seal damage for the entire length of joints affected. Most PCC pavements in the county completely lack joint sealant.
- When surveying a PCC section, it is very important to make sketch of the slabs being evaluated. Without the sketch, it will be very difficult to correctly count and report distress.

Asphalt Concrete Pavements

- Several types of distress may occur in the same area. With few exceptions, all types of distress have to be recorded: e.g. raveling and alligator cracking.
- Measurements of rutting require the use of a straight edge of minimum 6 feet length. Repeated measurements are required to correctly identify the areas of rutting and severity levels. This type of measurement requires the help of a second person to watch for traffic. Remember that OCTA does not provide traffic control.

Surface Treatments

 ASTM D6433 does not include distresses specific to surface treatment such as slurry seals or chip seals. Inspectors should use their best judgment to evaluate the condition of the original asphalt concrete surface underneath the surface treatment.



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April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: 2018 Long-Range Transportation Plan Update

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Direct staff to assume priced managed lanes within the Trend 2040 scenario, recognizing that further study, interagency coordination, and public outreach are required as part of future planning efforts.

Committee Discussion

The Committee discussion emphasized the need for further public input and outreach as part of any future transportation planning process.



April 2, 2018

Darrell E. Johnson, Chief Executive Officer

2018 Long-Range Tra To:

From:

Subject:

Overview

The Long-Range Transportation Plan provides Orange County's program of projects for the multi-county Regional Transportation Plan, prepared by the Southern California Association of Governments. The plan also serves as a policy framework for future transportation investments in Orange County. Initial model results presented in February 2018, along with ongoing activity at the state and regional levels, suggest that it would be appropriate to consider including priced managed lanes within the Long-Range Transportation Plan. Initial model results for the priced managed lane scenario are presented below for consideration.

Recommendation

Direct staff to assume priced managed lanes within the Trend 2040 scenario, recognizing that further study, interagency coordination, and public outreach are required as part of future planning efforts.

Background

The Orange County Transportation Authority (OCTA) is preparing the 2018 Long-Range Transportation Plan (LRTP) as input into Southern California Association of Governments (SCAG) 2020 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The 2018 LRTP will analyze travel conditions based on a 2040 horizon year, which assumes ten percent growth in population and 17 percent growth in employment in Orange County. These assumptions are based on projections from the Center for Demographic Research (CDR) at California State University, Fullerton.

In February 2018, model results were presented to the Board of Directors (Board) that compared carpool lane occupancy requirements of two passengers per vehicle versus three passengers per vehicle, under the financially-constrained (Trend 2040) scenario. The model results indicated that the two-passenger scenario fails to meet a federal performance standard that generally requires managed lanes to operate at 45 miles per hour during peak periods. The need to comply with this standard is triggered by the state's program to exempt qualified electric and plug-in hybrid vehicles from high-occupancy vehicle (HOV) lane occupancy requirements. However, the state is committed to maintaining this incentive program.

For example, in January 2018, Governor Jerry Brown signed Executive Order B-48-18 that calls for an increase from 350,000 zero-emission vehicles (ZEV) on the road today to five million by 2030. The state's 2016 ZEV Action Plan also highlights that allowing ZEVs access to HOV lanes is an important and effective strategy for meeting the state's ZEV goals.

If the standards are not met, sanctions could be imposed resulting in loss of federal funding and project delays. The California Department of Transportation (Caltrans) District 12 has acknowledged that increasing the occupancy requirement is necessary to comply; however, this results in an underutilized managed lane system. The 2018 LRTP model results presented in February 2018 support Caltrans' concern. The Trend 2040 – HOV 3+ scenario demonstrated that the managed lane system would comply with the federal standard; however, only about 30 percent of the capacity on managed lanes would be used.

As an alternative, Caltrans District 12 is pursuing a priced managed lane strategy that increases the occupancy requirement to three passengers, while also permitting other vehicles to use the managed lanes through a pricing strategy. The pricing strategy would manage the number of vehicles in the managed lane system, ensuring reliability for the users and compliance with the federal standard. It should be noted that Caltrans has recently initiated studies to implement priced managed lanes on Interstate 5. Additionally, many of OCTA's partner agencies are planning and implementing similar priced managed lane networks. This is occurring in neighboring counties, including Los Angeles, Riverside, and San Diego.

Taking all of this into consideration, a Trend 2040 scenario has been modeled to assess a priced managed lane alternative that is intended to: (1) address federal performance standards; (2) provide the public with an uncongested travel option; and (3) ensure consistent priced managed lane planning activities throughout the Southern California region.

The discussion below provides an overview of the initial model results utilizing a priced managed lane assumption.

Discussion

In Table 1, model results are shown for the Trend 2040 (financially constrained) managed lane scenarios, as well as the 2040 No Build that excludes the financially-constrained improvements. All scenarios include the 2040 growth forecast for Orange County, as prepared by CDR. The managed lane operating assumptions are summarized as follows:

- 2040 No Build (two-passenger requirement for managed lane access)
- Trend 2040 HOV 2+ (two-passenger requirement for managed lane access)
- Trend 2040 HOV 3+ (three-passenger requirement for managed lane access)
- Trend 2040 Express (three-passenger requirement for free managed lane access and other vehicles have a priced option to access managed lanes)

Table 1: Trend 2040 - Managed Lanes Scenarios vs. 2040 No Build

Metrics (daily)	2040 No Build HOV 2+	Trend 2040 HOV 2+	Trend 2040 HOV 3+	Trend 2040 Express
Vehicle passenger delay per capita (minutes)	12.5	8.5	8.9	8.7
Vehicle passenger travel time per capita (minutes)	58.5	55.7	55.9	55.9
Delay as a percent of travel time	21.4%	15.3%	15.9%	15.5%
Mainline freeway – AM peak average speed (mph)	32.0	35.2	34.0	34.4
Managed lanes – AM peak average speed (mph)	41.3	48.6	62.5	56.8
Managed lanes – AM peak capacity utilization	83%	70%	30%	60%
Arterials – AM peak average speed (mph)	24.3	26.0	25.8	25.8

mph - miles per hour

As shown in Table 1, the Express scenario provides a balanced approach between Trend 2040 – HOV 2+, which does not meet the federal performance standard, and the Trend 2040 – HOV 3+, which results in the managed lanes being underutilized. The Express scenario improves the efficiency of the managed lane system, increasing capacity utilization from 30 percent to 60 percent, while also conforming with the federal standard. Furthermore, overall travel times and delays due to congestion are reduced compared to conversion to HOV 3+ alone. Finally, it should be noted that compared to HOV 3+, the Express scenario does more to benefit the LRTP goals of improving system performance and expanding system choices by providing the traveling public a reliable and uncongested travel option.

As previously noted, many of OCTA's partner agencies are already moving to priced managed lanes, including Caltrans District 12. If directed by the Board to use the Express scenario in the 2018 LRTP, OCTA can take more of an active or lead role in the planning for priced managed lanes in Orange County.

Next Steps

The Trend 2040 scenario selected by the Board will be incorporated into the draft 2018 LRTP. The results of the other scenarios will also be referenced to provide additional context regarding Orange County's managed lanes system. Additionally, the Innovation and Policy scenarios are being modeled and analyzed to help facilitate a discussion regarding how private-sector innovations, as well as potential policies being considered primarily by regional and state agencies, may impact travel behavior.

These results will also be incorporated into the draft 2018 LRTP to help generate ideas and input for consideration in the LRTP action plan, which outlines areas of focus for OCTA that will lead into the next LRTP cycle. The draft 2018 LRTP is currently scheduled for public review over summer 2018. The public review will conclude in early September to finalize the LRTP by fall 2018 and provide OCTA's submittal to SCAG for inclusion in the 2020 RTP/SCS.

Summary

An analysis of the financially constrained Trend 2040 scenario has been completed, which assumes operation of the managed lanes network as express lanes. The analysis indicates that conversion from HOV to express lanes would satisfy federal performance standards and improve the efficiency of the managed lane system. Pending Board direction, this will be used as the primary scenario within the draft 2018 LRTP. Staff will return to the Board to release the draft 2018 LRTP for public review. The public review will occur over the summer, concluding in early September.

Attachment

None.

Prepared by:

Greg Nord

Principal Transportation Analyst

(714) 560-5885

Approved by:

Kia Mortazavi

Executive Director, Planning

(714) 560-5741

2018 Long-Range Transportation Plan Update





Trend 2040 - Results

Metrics (daily)	2015 Base Year	2040 No Build	Trend 2040
Delay as a percent of travel time	15.2%	21.4%	15.3%
Mainline freeway - AM peak average speed (mph)	35.9	32.0	35.2
Managed lanes - AM peak average speed (mph)	48.1	41.3	48.6
Arterials - AM peak average speed (mph)	25.7	24.3	26.0

These scenarios assume managed lane occupancy requirement of 2+

mph – miles per hour

Federal Performance Standards

- Federal regulations require HOV lanes to operate at 45+ mph during peak periods
- Most of Orange County's HOV lanes <u>do not</u> meet this standard

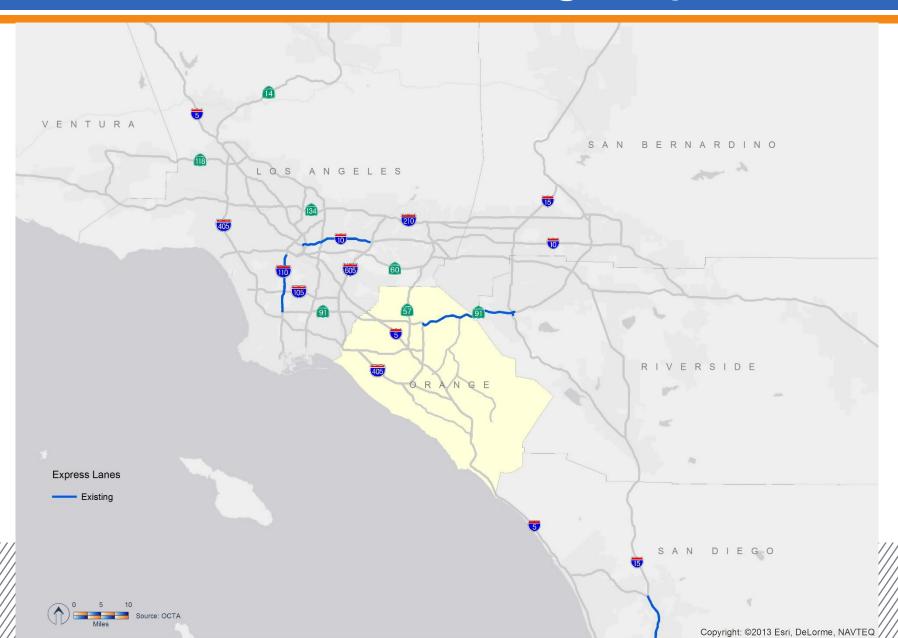


HOV – High-occupancy Vehicle

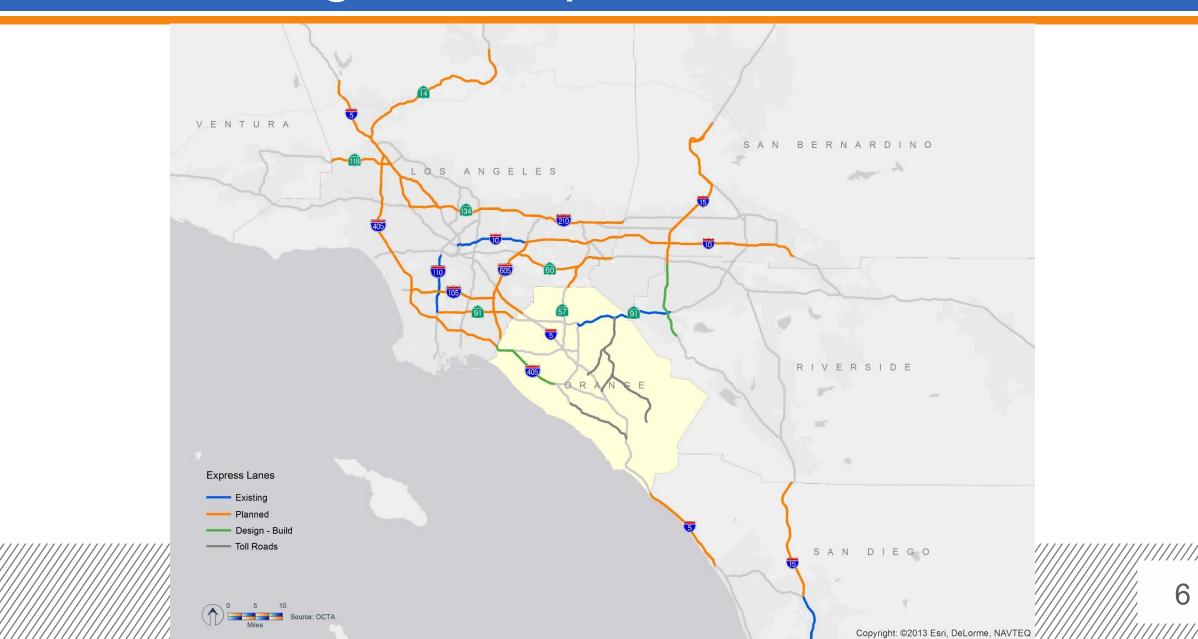
Trend 2040 - HOV 2+ vs HOV 3+

Metrics (daily)	Trend 2040 HOV 2+	Trend 2040 HOV 3+	
Delay as a percent of travel time	15.3%	15.9%	
Mainline freeway - AM peak average speed (mph)	35.2	34.0	
Managed lanes - AM peak average speed (mph)	48.6	62.5	
Managed Lane – AM peak capacity utilization	70%	30%	
Arterials – AM peak average speed (mph)	26.0	25.8	

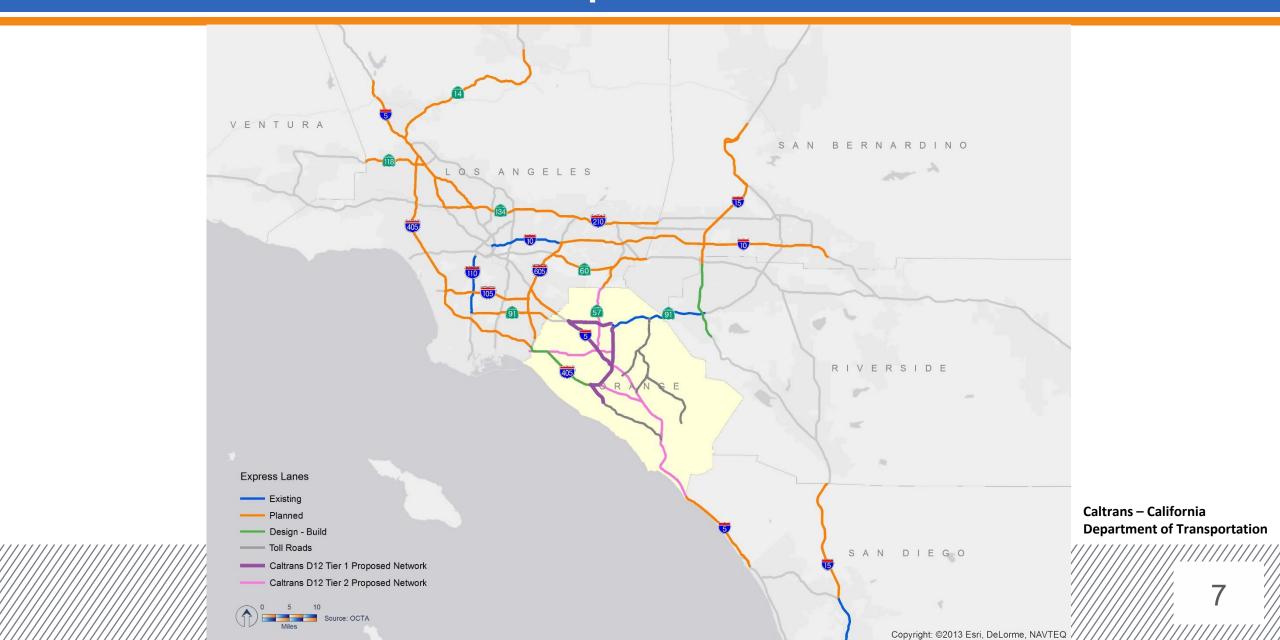
Southern California Existing Express Lanes



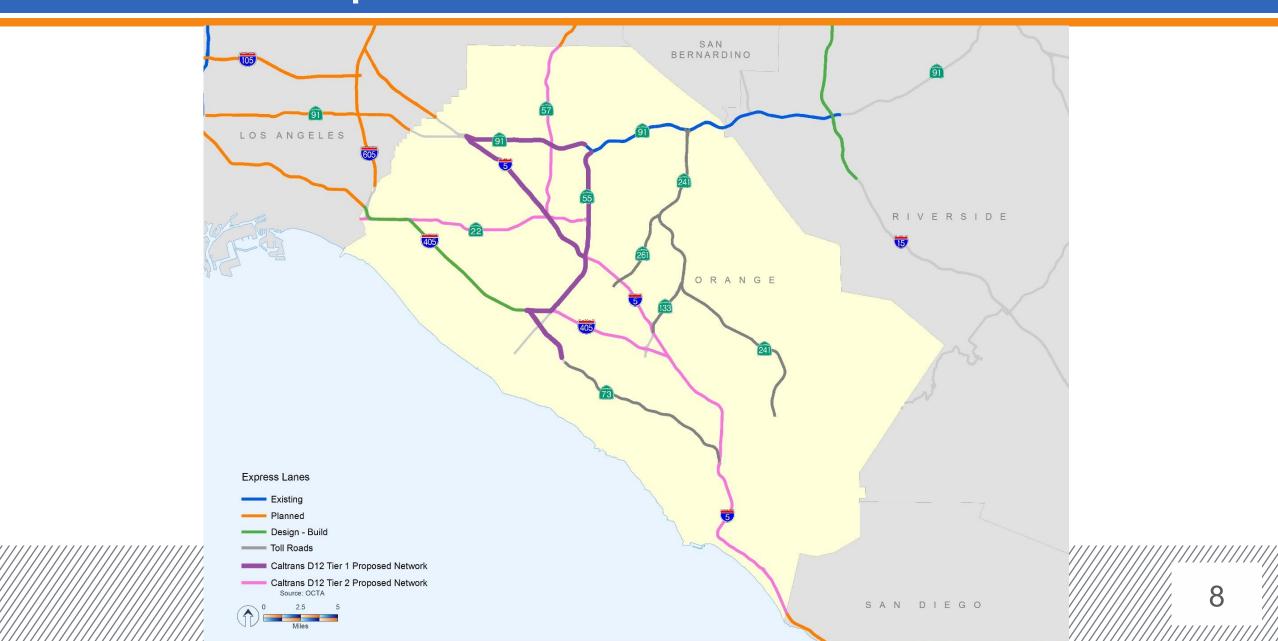
Planned Regional Express Lanes



Planned Caltrans Express Lanes



Planned Express Lanes - OC Focus



Managed Lanes Analysis

Metrics (daily)	2040 No Build HOV 2+	Trend 2040 HOV 2+	Trend 2040 HOV 3+	Trend 2040 Express
Delay as a percent of travel time	21.4%	15.3%	15.9%	15.5%
Mainline freeway - AM peak average speed (mph)	32.0	35.2	34.0	34.4
Managed lanes - AM peak average speed (mph)	41.3	48.6	62.5	56.8
Managed lanes – AM peak capacity utilization	83%	70%	30%	60%
Arterials - AM peak average speed (mph)	24.3	26.0	25.8	25.8

Managed Lanes Analysis - Summary

- Trend 2040 HOV 2+
 - Does not meet federal performance standards
- Trend 2040 HOV 3+
 - Managed lanes are underutilized
- Trend 2040 Express
 - Conforms with federal performance standards
 - Improves efficiency of managed lanes
 - Provides a new and reliable option for motorists

Next Steps

Major milestones	
Prepare Draft 2018 LRTP	Spring 2018
Release Draft for public review	Summer 2018
Finalize 2018 LRTP	Fall 2018



LRTP – Long-Range Transportation Plan





April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Interstate 405 Improvement Project Update

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel

Absent: Directors Pulido and Spitzer

Committee Vote

Following the discussion, no action was taken on this receive and file as an information item.

Staff Recommendation

Receive and file as information item.



April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Interstate 405 Improvement Project Update

Overview

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. This report provides a project update.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general-purpose lane from Euclid Street to I-605, consistent with Measure M2 Project K, and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

On November 14, 2016, the OCTA Board of Directors (Board) awarded the design-build (DB) contract to OC 405 Partners (OC 405). OCTA executed the DB contract with OC 405 and issued Notice to Proceed (NTP) No. 1 on January 31, 2017. NTP No. 1 was a limited NTP for mobilization, design, and administrative activities. On July 26, 2017, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement was executed between OCTA and the United States Department of Transportation (USDOT). On July 27, 2017, OCTA issued NTP No. 2 to OC 405. NTP No. 2 was a full NTP for all activities, including construction.

Discussion

A number of activities are ongoing as the final design continues and construction has been initiated. The final design is approximately 60 percent complete overall. The final baseline schedule, a detailed schedule of design and construction activities, is nearing completion.

Construction

OCTA held a groundbreaking ceremony on January 26, 2018, with more than 600 attendees, to commemorate the start of construction. The event was made possible by the generosity of more than 30 project partners. OC 405 began construction on March 6, 2018. Initial construction activities will continue over the next few months, including restriping portions of the freeway and setting up concrete barriers on the outside of the freeway to protect work areas for activities such as tree removals and grading. More significant construction activities, such as paving operations and bridge demolition activities, are anticipated to begin in the fall.

Right-of-Way (ROW) Acquisition

Construction of the Project will impact 288 properties, including 179 residential properties, 71 commercial/industrial properties, 37 public properties, and one railroad property. There are 287 properties identified as partial acquisitions and one property is identified as a full acquisition at the owner's request. The total number of impacted properties is less than the 305 previously reported as design changes have eliminated impacts to certain properties. The real property requirements for the partial acquisitions are comprised of a combination of fee acquisitions, permanent easements, temporary construction easements (TCE), and access control rights needed to construct the proposed highway and express lane improvements for the Project. The full-fee acquisition, partial-fee acquisitions, permanent easements, and TCEs are required for roadway and bridge construction, soundwalls and retaining walls, drainage systems, and for the installation of above-ground and underground facilities, including electrical, telecommunication, water, sewer, gas, and storm drain systems.

The ROW acquisition program is currently on schedule. Of the 288 total parcels needed, the following summarizes the status of the ROW acquisition:

- 275 notices of decision to appraise sent
- 220 offers presented
- 167 agreements reached (76 percent of offers presented)
- 30 resolutions of necessity approved

Utility Relocations

There are currently 105 utilities that require relocation as part of the Project. OCTA is coordinating with the 22 impacted utility companies to identify issues and work to resolve them. There are several utility relocation challenges that staff continues to focus on as utilities are a shared risk between OCTA and OC 405.

Tolling Procurements

On February 26, 2018, the Board selected Kapsch TrafficCom USA, Inc., (Kapsch) to provide toll lanes system integration services for design, installation, operation, and maintenance of the electronic toll and traffic management system on both the 405 and 91 Express Lanes. Kapsch will be working closely with the design-builder to deliver fully functional express lanes upon opening in 2023.

Staff recently initiated the development of a request for proposals for the back office support and customer service center contract for both the 405 and 91 Express Lanes, and plans to seek Board approval for its release in fall 2018.

TIFIA Loan

On July 26, 2017, OCTA executed a TIFIA loan agreement with the USDOT for up to \$628.93 million. Pursuant to the terms identified in the loan agreement, OCTA staff recently submitted the first TIFIA reimbursement requisition for \$165 million to the USDOT Build America Bureau and Federal Highway Administration. OCTA anticipates receiving the first reimbursement by April 16, 2018. As of the end of February, OCTA has expended over \$300 million on the Project.

Public Outreach

The weekend of February 16 to February 18, 2018, staff hosted a booth at two Orange County Tet Festivals, one at Mile Square Park, as well as one at the Orange County Fairgrounds. Multi-lingual staff provided Project information and encouraged festival attendees to sign up to receive email, text, and phone alerts during construction. Information was made available in both English and Vietnamese, and more than 400 attendees signed up to receive more information at the two events.

Project open houses will be scheduled in the coming months in multiple cities to share general Project information, the anticipated bridge construction schedule, and other Project details. Door hangers with open house information will be distributed to residents and businesses near the Project area. In

addition, staff will utilize targeted online and social media advertisements, Chamber of Commerce and corridor city websites, as well as other communication mediums to invite the public to attend. Prior to bridge work commencing later this year, staff will host neighborhood meetings in residential areas immediately adjacent to bridge reconstruction. These meetings are a grassroots community outreach approach and encourage residents to ask questions about the Project over coffee and donuts.

OCTA continually strives to keep pace with technology and to be innovative in its public outreach tactics. Staff developed an interactive map for the Project website which includes closure and detour information to help guide the traveling public during construction, as well as provide general facts on bridges and intersections along the 16-mile stretch. The interactive map is connected to Waze, the popular, free navigation app, with real-time traffic information. Staff is working with Waze to incorporate the Project's closures and detours into the system proactively. This is the first OCTA freeway construction project to utilize this tool, and a demonstration will be available at the upcoming Project open houses.

A Project mobile app is also in development. The free app will provide up-to-date Project information such as schedule, closures and detours, milestones, and overall benefits. It will also allow the user to view the interactive map, interesting photos and videos from the field, contact the outreach team, as well as experience the configurations and aesthetics of the bridges in every angle via a virtual reality component. This app is another innovative first for an OCTA freeway construction project.

Next Steps

Staff will continue to work closely with the design-builder as design and construction continue. This involves completing portions of the final design, obtaining permits, utility relocation coordination, and construction activities. Additionally, the ROW acquisition program will continue as planned.

Summary

Final design continues and construction has been initiated. Currently, final design, right-of-way acquisition, public outreach, and other activities are in process to continue the construction phase of the Interstate 405 Improvement Project between State Route 73 and Interstate 605.

Attachment

None.

Prepared by:

Jeff Mills, P.E. Program Manager (714) 560-5925 Approved by:

James G. Beil, P.E. Executive Director, Capital Programs (714) 560-5646



Interstate 405 Improvement Project Update









Project Location and Key Features



Project Travel Time Benefits

2040 travel time from State Route 73 to Interstate 605



Background

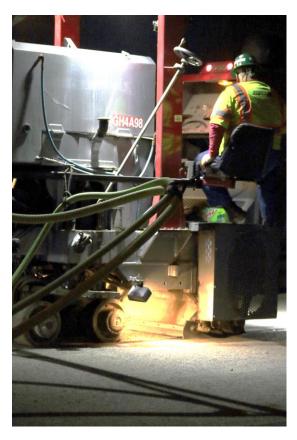
- On November 14, 2016, the Orange County Transportation Authority (OCTA) Board of Directors (Board) awarded the design-build (DB) contract to OC 405 Partners (OC 405)
- On January 31, 2017, OCTA executed the contract with OC 405 and issued Notice to Proceed (NTP) No. 1
- On June 26, 2017, the Board approved the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan
- On July 27, 2017, OCTA issued NTP No. 2 to OC 405

Groundbreaking Ceremony



Construction Update



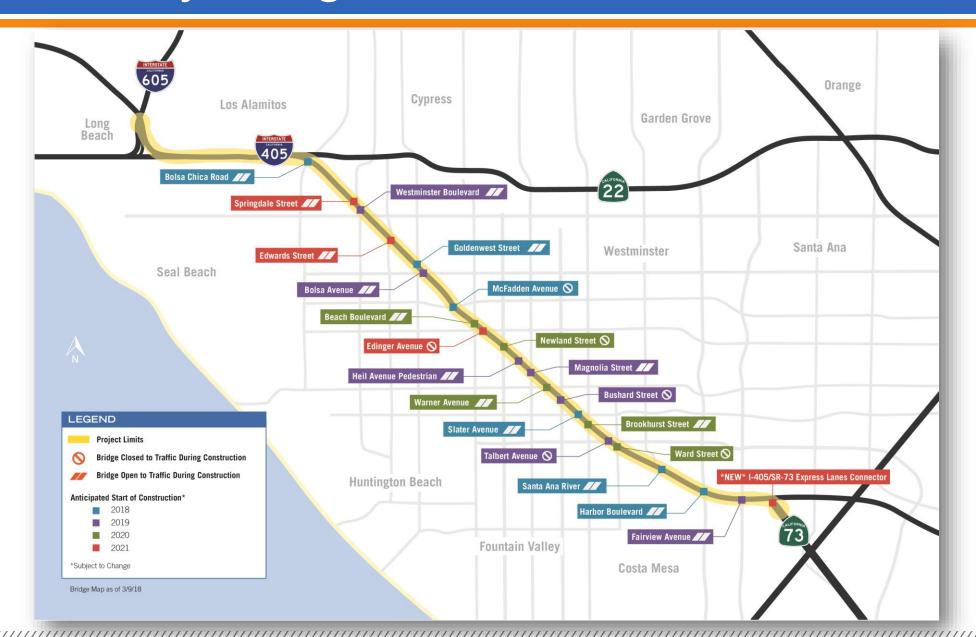




Additional Updates

- Completion of final detailed project schedule
- Design-builder currently completing the project design
- Toll lanes system integrator contract awarded on February 26, 2018
- First TIFIA loan requisition

Preliminary Bridge Construction Timeline



Ongoing Community Outreach



New Project Videos

Now available on our website

- www.octa.net/405improvement
- There are two episodes; each one provides different information about various aspects of the 16-mile project.





Recent and Next Steps

Activity/Milestone	Date	
DB Implementation		
Groundbreaking ceremony	January 26, 2018	
Beginning of construction	March 6, 2018	
Design and construction	2017-2023	
Project, including 405 Express Lanes, opens	2023	
Toll Lanes System Integrator Procurement		
Request for proposals released	August 28, 2017	
Contract awarded	February 26, 2018	
Contract execution and NTP	April 2018	