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## **BOARD AGENDA**

Orange County Transportation Authority Board Meeting  
Orange County Transportation Authority Headquarters  
Board Room - Conference Room 07-08  
550 South Main Street  
Orange, California  
**Monday, January 25, 2021 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 Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

### **Guidance for Public Access to the Board of Directors/Committee Meeting**

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) Board of Directors (Board) and staff and for the purposes of limiting the risk of COVID-19, in person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above referenced Executive Orders.



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## **BOARD AGENDA**

### **Guidance for Public Access to the Board of Directors/Committee Meeting (Continued)**

Instead, members of the public can listen to AUDIO live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to [ClerkOffice@octa.net](mailto:ClerkOffice@octa.net).

If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **30 minutes prior to the start time of the Board and Committee meeting date.**

### **Call to Order**

### **Roll Call**

### **Invocation**

Director Bartlett

### **Pledge of Allegiance**

Director Jones

### **Special Calendar**

### **Orange County Transportation Authority Special Calendar Matters**

#### **1. Administration of the Oath of Office to New Orange County Transportation Authority Board of Director**

Oath of Office will be administered to new Board Member Patrick Harper.



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## **BOARD AGENDA**

### **2. 2021 Board of Directors and Chief Executive Officer Initiatives and Action Plan**

Darrell E. Johnson

At the beginning of each calendar year, the Orange County Transportation Authority Board of Directors, led by the Chairman, identifies a set of priorities for the year, entitled Board Initiatives. The Chief Executive Officer's Initiatives and Action Plan that support and reinforce the Board Initiatives are also developed at the same time. Combined, the Board Initiatives and Chief Executive Officer's Initiatives and Action Plan chart the course of activities to be accomplished during the year by the agency.

### **Consent Calendar (Items 3 through 16)**

All matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

### **Orange County Transportation Authority Consent Calendar Matters**

#### **3. Approval of Minutes**

Approval of the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of January 11, 2021.

#### **4. Fiscal Year 2019-20 Annual Financial Statement Audits, Single Audit, and Agreed-Upon Procedures Reports**

Janet Sutter

##### **Overview**

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements and on its compliance with requirements of major federal programs. Crowe LLP, an independent accounting firm, has completed its annual audits of the Orange County Transportation Authority and related entities for the fiscal year 2019-20, and issued the required Single Audit report with its opinion on the Orange County Transportation Authority's compliance with major federal programs. In addition, reports have been issued on the results of agreed-upon procedures applied by Crowe LLP, to assist management in determining compliance with certain state, federal, and local requirements.



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## **BOARD AGENDA**

### **4. (Continued)**

#### **Recommendation**

Receive and file the fiscal year 2019-20 annual financial statement audits, Single Audit, and agreed-upon procedures reports as information items.

### **5. Fiscal Year 2020-21 Internal Audit Plan, Second Quarter Update**

Janet Sutter

#### **Overview**

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan on July 27, 2020. This report provides an update of activities for the second quarter of the fiscal year.

#### **Recommendation**

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan as an information item.

### **6. Approval of 2021 Orange County Transportation Authority Board Committees and External Agencies' Assignments**

Andrea West/Jennifer L. Bergener

#### **Overview**

The recommended 2021 Board Member assignments for the Orange County Transportation Authority Board Committees and external agencies are presented for the Board of Directors' consideration and approval.





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## **BOARD AGENDA**

### **6. (Continued)**

#### **Recommendations**

- A. Approve the Chairman's assignments for the 2021 Orange County Transportation Authority Board Committees comprised of the Executive, Finance and Administration, Legislative and Communications, Regional Planning and Highways, State Route 91 Advisory, Transit, and Environmental Oversight Committees.
- B. Receive the Chairman's assignments for 2021 external agencies comprised of the California Association of Councils of Governments, Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, Mobile Source Air Pollution Reduction Review Committee, Southern California Association of Governments' Regional Council, Orange County Council of Governments, and Southern California Regional Rail Authority.

### **7. Fiscal Year 2020-21 First Quarter Budget Status Report**

Anthony Baruch/Andrew Oftelie

#### **Overview**

The Orange County Transportation Authority's staff has implemented the fiscal year 2020-21 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2020-21.

#### **Recommendation**

Receive and file as an information item.



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**BOARD AGENDA**

**8. Orange County Transportation Authority Investment and Debt Programs Report - November 2020**

Robert Davis/Andrew Oftelie

**Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending November 30, 2020. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

**Recommendation**

Receive and file as an information item.

**9. State Legislative Status Report**

Alexis Leicht/Lance M. Larson

**Overview**

The Orange County Transportation Authority provides regular updates to the Legislative and Communications Committee on policy issues directly impacting Orange County Transportation Authority programs, projects, and operations. The State has formed several committees to inform guidance on the distribution of the coronavirus vaccine. An update is provided regarding Orange County Transportation Authority engagement on these discussions, including advocacy efforts to prioritize the transportation sector as an essential service within state guidance. With the start of the legislative session and new vacancies existing within the Administration, information is provided on changes related to the State Legislature's committee assignments and new appointments to the California Air Resources Board. As a follow-up to a memo sent to the Orange County Transportation Authority Board of Directors, a verbal update will be provided on Governor Newsom's proposed fiscal year 2021-2022 state budget.

**Recommendation**

Receive and file as an information item.



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## **BOARD AGENDA**

### **10. Federal Legislative Status Report**

Dustin J. Sifford/Lance M. Larson

#### **Overview**

An update is provided on the enactment of the annual federal appropriations bills and additional economic stimulus legislation. Details are also included on the nomination for a new Secretary of Transportation.

#### **Recommendation**

Receive and file as an information item.

### **11. Extension of Coronavirus-Related Leaves**

Karen DeCrescenzo/Maggie McJilton

#### **Overview**

Federal law required Emergency Paid Sick Leave and Expanded Family Medical Leave under the Family and Medical Leave Act for coronavirus-related absences through December 31, 2020. This requirement was not continued in the most recent federal funding agreement. In order to address the anticipated need for leaves, Board of Directors' approval is requested to extend the Emergency Paid Sick Leave and Expanded Family Medical Leave for eligible employees, effective January 1, 2021 until March 31, 2021.

#### **Recommendations**

- A. Approve the extension of employees' ability to use Emergency Paid Sick Leave to provide compensation relief for coronavirus-related absences.
- B. Authorize the Chief Executive Officer, or designee, to administer continuation of Emergency Paid Sick Leave and Expanded Family Medical Leave for employees, effective January 1, 2021 until March 31, 2021, and allow program extension beyond that date as necessary to accommodate need and with notification to the Board of Directors.



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**BOARD AGENDA**

## **Orange County Transit District Consent Calendar Matters**

- 12. Amendment to Agreement for Bus Advertising Revenue Program**  
Jennifer O'Connor/Maggie McJilton

### **Overview**

On June 22, 2015, the Orange County Transportation Authority's Board of Directors approved an agreement with Outfront Media Group, LLC, to sell, place, and maintain advertisements on its bus vehicles. In response to declining revenue due to the coronavirus pandemic, on July 20, 2020, the Board of Directors approved an amendment to exercise the second option term with a modified payment provision. Due to the extended effects of the pandemic, Outfront Media Group, LLC, is requesting a temporary modification to the existing minimum annual guarantee requirement.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3076 between the Orange County Transportation Authority and Outfront Media Group, LLC, to eliminate the minimum annual guarantee and adopt a payment term based solely on a 70 percent revenue-sharing arrangement through December 2021.

- 13. Award of Agreement for the Purchase of Electric Vehicle Chargers and Energy Management System**  
Cliff Thorne/Jennifer L. Bergener

### **Overview**

The Orange County Transportation Authority uses a variety of light-duty vehicles to support bus operations. Operator relief vehicles are light-duty vehicles used primarily to relieve coach operators in the field while on duty. On August 10, 2020, the Board of Directors approved the purchase of up to 55 battery electric vehicles to replace the current fleet of compressed natural gas-powered operator relief vehicles. Board of Directors' approval is requested to execute an agreement to purchase required electric vehicle charging stations with an energy management system to support the battery electric vehicle fleet.



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

- A. Approve the selection of ChargePoint, Inc., as the firm to provide up to 72 electric vehicle charging stations with an energy management system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2692 between the Orange County Transportation Authority and ChargePoint, Inc., in the amount of \$484,331, to provide up to 72 electric vehicle charging stations with an energy management system, for a five-year initial term effective February 1, 2021 through January 31, 2026, with one, three-year option term.

**14. Sole Source Agreement for the Operations and Maintenance of Fluid Management System**

Marie Latino/Jennifer L. Bergener

**Overview**

The Orange County Transportation Authority utilizes a fleet of 778 revenue vehicles and 151 non-revenue vehicles to provide both OC Bus and OC ACCESS services. This fleet of vehicles requires managed fuel and fluid dispensing. A proprietary computerized electronic fluid management system is currently used for authorizing fluid dispensing, as well as tracking odometer readings and fluid consumption of all fleet vehicles. The existing agreement for the operations and maintenance of the fluid management system will expire on February 28, 2021. Staff is requesting Board of Directors' approval to initiate a new sole source agreement to continue the operations and maintenance of the current system.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C-0-2615 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$644,296, for a four-year initial term with one, three-year option term, for the operations and maintenance of the current fluid management system.



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## **BOARD AGENDA**

### **15. February 2021 Bus Service Change** Jorge Duran/Kia Mortazavi

#### **Overview**

The February 2021 bus service change will continue the same level of bus service as was implemented in October 2020. This recommendation is based on generally stable ridership demand. Staff is also underway with the development of a contingency plan should demand increase and additional service is needed between February 2021 and the regularly planned June 2021 schedule change.

#### **Recommendation**

Receive and file as an information item.

### **Orange County Local Transportation Authority Consent Calendar Matters**

### **16. Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions** Alfonso Hernandez/Kia Mortazavi

#### **Overview**

Measure M2 includes a program to fund Community-Based Transit Circulators known as Project V. The goal of the program is to provide local transit services designed to complement regional transit services. Funding is awarded to local agencies through a competitive call for projects and awarded services are then implemented by awarded local agencies. Ridership reports for each of the Project V-funded services are presented to the Board of Directors twice annually. This item provides the ridership report covering the fourth quarter of fiscal year 2019-20 (April - June 2020) and the first quarter of fiscal year 2020-2021 (July - September 2020). Due to the significant impacts that the coronavirus has had upon Project V services and recent audit recommendations, several revisions to the program are presented for review and approval.



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**BOARD AGENDA****16. (Continued)****Recommendations**

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

**Orange County Local Transportation Authority Regular Calendar Matters****17. OC Streetcar Project Quarterly Update**

Mary Shavalier/James G. Beil

**Overview**

The Orange County Transportation Authority is implementing the OC Streetcar project, and updates are provided to the Board of Directors on a quarterly basis. This report provides an update on OC Streetcar project activities from September 2020 through December 2020.

**Recommendation**

Receive and file as an information item.



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**BOARD AGENDA****18. Contract Change Orders for the Construction of the OC Streetcar Project**

Mary Shavalier/James G. Beil

**Overview**

On September 24, 2018, the Orange County Transportation Authority Board of Directors authorized Agreement No. C-7-1904 with Walsh Construction Company II, LLC, for construction of the OC Streetcar project. Contract change orders are required for acquisition of updated communication equipment, removal of thicker asphalt concrete pavement due to differing site conditions in City of Santa Ana streets, and continued hand digging of pole foundations.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 43 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$372,136, for the acquisition of updated communications equipment.
- B. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 48 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,177,362, for removal of thicker asphalt concrete pavement from City of Santa Ana streets.
- C. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 16.2 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,400,000, for additional hand digging of overhead contact system, traffic signal, and streetlight pole foundations.





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## **BOARD AGENDA**

### **Discussion Items**

- 19. Public Comments**
- 20. Chief Executive Officer's Report**
- 21. Directors' Reports**
- 22. Closed Session**

A Closed Session will be held as follows:



Pursuant to Government Code Section 54957.6 to discuss negotiations with Teamsters Local 952 (Teamsters) 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 the lead negotiator for the Teamsters is to be appointed by the Teamsters.

- 23. Adjournment**

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, February 8, 2021**, at the Orange County Transportation Authority Headquarters, Board Room - Conference Room 07-08, 550 South Main Street, Orange, California.



*January 25, 2021*

**To:** Members of the Board of Directors   
**From:** Andrew Do, Chairman of the Board of Directors  
Darrell E. Johnson, Chief Executive Officer   
**Subject:** 2021 Board of Directors and Chief Executive Officer Initiatives and Action Plan

At the beginning of each calendar year, the Orange County Transportation Authority (OCTA) Board of Directors (Board), led by the Chairman, identifies a set of priorities for the year, entitled Board Initiatives. The Chief Executive Officer's (CEO) Initiatives and Action Plan that support and reinforce the Board Initiatives are also developed at the same time. Combined, the Board Initiatives and CEO Initiatives and Action Plan chart the course of activities to be accomplished during the year by the agency. Board and CEO Initiatives (Attachment A) are combined to clearly show how the two work together to create a well-balanced, forward-thinking, and integrated plan.

For 2021, there are three Board Initiatives supported by nine CEO Initiatives. The 2021 Board and CEO Initiatives and Action Plan (Attachment B) include 97 project and/or program milestones, providing staff with a strong strategic direction for implementation during the calendar year. Reports on the CEO Initiatives and Action Plan detailing progress on these milestones will be provided on a quarterly basis for Board review.

Please let me know if you have any questions on the Board Initiatives or contact Darrell E. Johnson, CEO at (714) 560-5343 with questions on the Action Plan.

AD/DEJ:ls  
Attachments



# 2021 BOARD & CEO INITIATIVES



## FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND RESILIENCE

- Demonstrate Fiscal Responsibility and Effective Measure M2 Administration
- Plan and Adapt to a Changing Environment
- Champion Environmental Stewardship and Sustainability



## RELIABLE, ACCESSIBLE, AND BALANCED TRANSPORTATION CHOICES

- Provide Balanced Public Transportation Options and Solutions
- Deliver Improvements to Fulfill Measure M Promises
- Engage with Diverse and Disadvantaged Communities



## ORGANIZATIONAL EXCELLENCE AND COLLABORATION

- Enhance Workforce Diversity and Inclusive Work Culture
- Adapt to a Changing Workplace and Promote Employee Development and Safety
- Provide Quality Customer Service and Collaborate with Regional Partners



ANDREW DO  
CHAIRMAN

DARRELL E. JOHNSON  
CHIEF EXECUTIVE OFFICER



# 2021 BOARD & CEO INITIATIVES



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ANDREW DO  
CHAIRMAN

DARRELL E. JOHNSON  
CHIEF EXECUTIVE OFFICER

## 2021 Board Initiatives

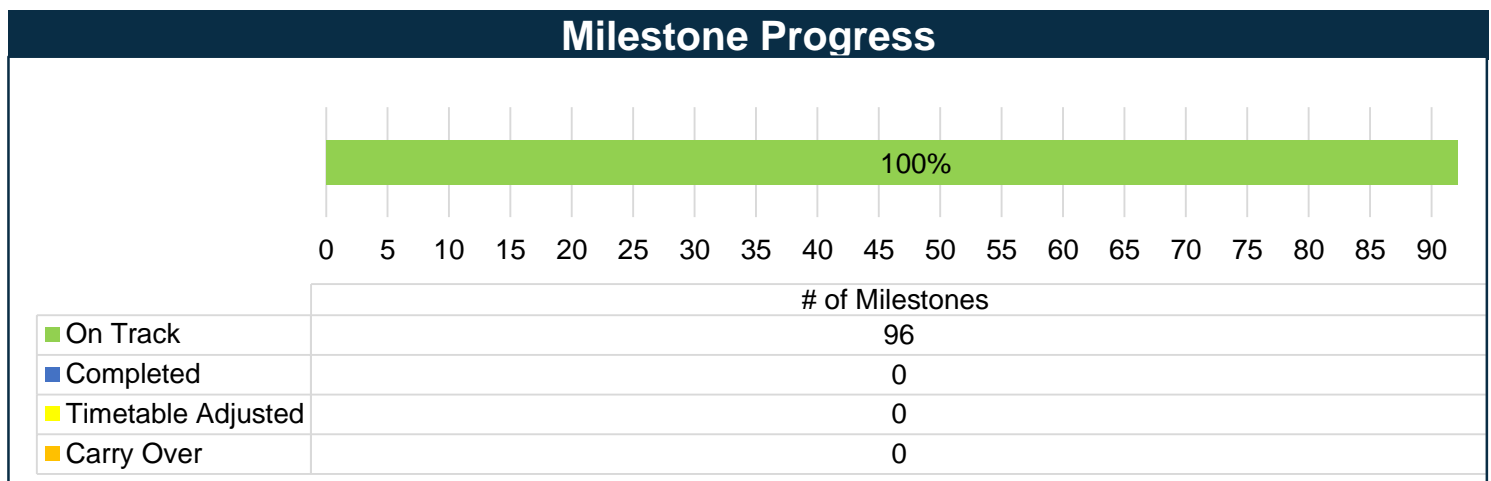
1. Financial Stewardship, Sustainability, and Resilience
2. Reliable, Accessible, and Balanced Transportation Choices
3. Organizational Excellence and Collaboration

## 2021 CEO Initiatives

1. Demonstrate Fiscal Responsibility and Effective Measure M2 Administration
2. Plan and Adapt to a Changing Environment
3. Champion Environmental Stewardship and Sustainability
4. Provide Balanced Public Transportation Options and Solutions
5. Deliver Improvements to Fulfill Measure M Promises
6. Engage with Diverse and Disadvantaged Communities
7. Enhance Workforce Diversity and Inclusive Work Culture
8. Adapt to a Changing Workplace and Promote Employee Development and Safety
9. Provide Quality Customer Service and Collaborate with Regional Partners

## 2021 CEO Milestone Summary

Number of Milestones by Quarter	
Quarter Due	Number
First Quarter	12
Second Quarter	20
Third Quarter	24
Fourth Quarter	40
<b>TOTAL</b>	<b>96</b>



# FIRST QUARTER (Q1)

0 of 12 Completed - 0%

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
1.	I-5, SR-73 to El Toro Road	Ensure Segment 3 is Under Construction	Provide project update to Board - Q1					
2.	OC Rail Infrastructure Defense Against Climate Change Study	Identify Implementation Strategies or Mitigations to Reduce Climate Change Risks to Rail Infrastructure	Present update on study to ESC - Q1					
3.	College Pass Program	Provide Community College Students with a Discount Bus Pass to Enhance Access to Education	Work with Cypress College to implement program for spring 2021 semester launch - Q1					
4.	Digital Transformation Strategies	Digitize Documents, Forms, and Processes	Establish priority list to digitize manual workflows and present to ESC - Q1					
5.	Digital Transformation Strategies	Establish Office Automation Methods	Implement Robotic Automation tool and design requirements for use cases - Q1					
6.	Enterprise Asset Management (EAM) System Replacement	Replace EAM System to Modern Software as a Service to Meet Growing Needs of Maintenance and Procurement	Recommend Board approval for selected EAM vendor - Q1					
7.	Intelligent Transit Management System (ITMS)	Upgrade ITMS Radio System to Adopt Voice-Over Internet Protocol (VOIP) Technology for Implementation to Both Bus and Streetcar Fleets	Complete pilot testing on the VOIP technology and make recommendation for bus and streetcar fleets - Q1					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

## FIRST QUARTER (Q1) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
8.	Reset TIFIA Loan Interest Rate	Reduce the Interest Rate on OCTA's 2017 TIFIA	Submit all necessary paperwork to request TIFIA loan interest rate reset - Q1					
9.	Early Career Academy (ECA)	Provide Early Career Development to Grow New Professionals	Complete ECA Program with second cohort - Q1					
10.	Agency Climate Resiliency and Sustainability Practices (2020 Carryover)	Perform Gap Analysis on Agency Sustainability Practices and Preparedness for Natural and Human Induced Hazards	Inventory agency-wide practices, including comparative analysis with peer agencies and present next steps for Climate Resiliency and Sustainability Plan development to ESC - Q1					
11.	Federal Obligation Authority Plan (2020 Carryover)	Maximize Federal Formula Funding Opportunities	Present the Federal Obligation Authority Plan to Board - Q1					
12.	South Orange County Multimodal Study	Study Regional Multimodal Transportation Improvement Options	Present draft Purpose and Need for Board consideration - Q1					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

## SECOND QUARTER (Q2)

0 of 20 Completed - 0%

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
1.	Anaheim Canyon Metrolink Station Improvement	Initiate Construction for Passenger Enhancements	Begin construction - Q2					
2.	Diversity, Equity and Inclusion	Inventory and Communicate Existing Programs, Policies and Practices Related to Diversity, Equity and Inclusion	Launch a diversity, equity and inclusion page on OCTA.net and develop collateral material related to OCTA efforts in this area - Q2					
3.	Hazard Mitigation Plan (HMP)	Develop a Plan of Actions	Prepare and submit draft HMP for FEMA and State review - Q2					
4.	Headquarters Building	Evaluate Alternatives for a Potential New Headquarters' Building	Present options to real estate ad-hoc committee on long-term strategy for OCTA headquarters - Q2					
5.	Comprehensive Business Plan (CBP) (2020 Carryover)	Develop OCTA's Business Plan	Provide a summary of OCTA's FY 2020-21 long-term financial plan for adoption to Board - Q2					
6.	Cybersecurity	Protect OCTA's Information Systems	Provide cybersecurity update to Executive Committee - Q2					
7.	Line of Credit for I-405 Improvement Project Services	Secure a \$500 Million Line of Credit as Required by OCTA's TIFIA Loan	Resecure committed funds to support OCTA's TIFIA loan - Q2					
8.	Mobile Ticketing	Implement Mobile Ticketing Application Through New Vendor Bytemark	Transition to Bytemark for mobile ticketing - Q2					
9.	OCTA's Operating and Capital Budget	Develop a FY 2021-22 Balanced Budget	Present a comprehensive balanced OCTA FY 2021-22 Budget for adoption to Board - Q2					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER



## SECOND QUARTER (Q2) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
10.	Annual Insurance Review	Inform the Board	Present annual review of OCTA's insurance program to Board - Q2					
11.	Leadership Development Academy (LDA)	Provide Professional Development Programs	Graduate fourth cohort of the LDA to grow the next generation of leaders - Q2					
12.	Management Development Academy (MDA)	Provide Career Development for Mid-Level Managers	Launch MDA - Q2					
13.	Personnel and Salary Resolution	Update Personnel Policies	Present recommendations to Board - Q2					
14.	Coach Operator Relief Vehicles (ORV)	Reduce Emissions From Coach Operator Relief Vehicles	Present ORV electric vehicle implementation to ESC - Q2					
15.	Depot Chargers for Electric Buses	Reduce Emissions in Orange County	Present depot charging plan at the Garden Grove base for plug-in battery-electric buses to ESC - Q2					
16.	Bus Service Restructuring (Adjustments to COVID-19)	Ensure Ability to Meet Transit Demand	Present recommendations to Board for contract award - Q2					
17.	Future of Transit Workshop	Establish a Vision and Goals for the "Future of Transit" in Orange County	Conduct Future of Transit workshop - Q2					
18.	Next 10 Delivery Plan (2020 Carryover)	Ensure M2 Delivery Commitment	Review and present status of the Next 10 Delivery Plan deliverables to Board - Q2					
19.	Streets and Roads	Fund Streets and Roads Improvements	Present recommendations for RCP (Project O) and RTSSP (Project P) projects grant awards to Board - Q2					
20.	Transit Supportive Design Guidelines Study	Update and Modernize Guidelines for Improvements Near OCTA Transit Service	Complete Transit Design Guidelines and distribute to stakeholders - Q2					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

# THIRD QUARTER (Q3)

0 of 24 Completed - 0%

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
1.	I-405 Improvement Project	Continue to Advance Construction	Begin bridge construction at Ward Street and Warner Avenue - Q3					
2.	I-405 Improvement Project	Continue to Advance Construction	Complete and open first half of bridges at Bolsa Avenue, Westminster Boulevard, and Fairview Road - Q3					
3.	I-5, I-405 to SR-55	Initiate Design Phase	Begin design phase - Q3					
4.	I-5, Pico to San Diego County Line	Initiate the Environmental Phase	Collaborate with County of San Diego to begin PA/ED phase and provide update to Board - Q3					
5.	Metrolink Rail Station Improvements	Ensure Asset Preservation	Provide update on construction (Orange County Stations Rehab Project) - Q3					
6.	SR-55, I-405 to I-5 (2020 Carryover)	Initiate Construction	Achieve Ready to List status - Q3					
7.	College Pass Program	Provide Community College Students with a Discount Bus Pass to Enhance Access to Education	Work with interested community colleges, including Irvine Valley and Coastline colleges, and the North Orange Continuing Education Program, to implement program as soon as fall 2021 - Q3					
8.	L RTP Market Research	Obtain Statistically Valid Public Opinion Data to Inform the Development of the 2022 L RTP	Conduct Attitudinal and Awareness Survey for the development of the 2022 L RTP and report to the Board - Q3					
9.	405 Express Lanes Back-Office System	Implement Transaction Processing System	Present recommendation for selection of back-office system service provider to Board - Q3					
10.	Diversity, Equity and Inclusion	Review OCTA Organizational Policies, Practices and Programs related to Diversity, Equity and Inclusion, and Develop Recommendations for Enhancements and Improvements to Guide Future Agency Decisions	Procure a third-party consultant to review and make recommendations related to OCTA diversity, equity and inclusion efforts - Q3					
11.	Credit Ratings	Maintain OCTA's Positive Credit Rating	Conduct annual rating agency meeting - Q3					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

## THIRD QUARTER (Q3) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
12.	Cybersecurity	Protect OCTA's Information Systems	Require completion of annual cybersecurity training for all employees - Q3					
13.	APTA Expo (2020 Carryover)	Host International Conference	Lead efforts to host APTA Expo in Anaheim - Q3					
14.	Coach Operator Collective Bargaining Agreement	Negotiate and Renew Agreement	Present agreement to Board - Q3					
15.	Diversity, Inclusion, Equity and Belonging	Identify, Develop, and Propose Solutions to Help Address Gaps in Current OCTA Employee Programs and Processes (i.e. Recruiting Efforts, Training, and Affirmative Action), and Propose Improvements, Enhancements, and Solutions; and to Support Employees' Voices Throughout the Organization	Develop a process for diverse interview panels and update Affirmative Action Plan to include identified gaps in recruitment and set four-year goals - Q3					
16.	Employee Health Insurance Renewal Programs	Secure Competitive Health Benefits	Present health insurance recommendations to Board - Q3					
17.	Risk Management Information System	Upgrade Software System	Upgrade and implement new risk management information system - Q3					
18.	Transportation Communications Union Collective Bargaining Agreement	Negotiate and Renew Agreement	Present parts clerks and facilities technicians agreement to Board - Q3					
19.	OC ACCESS	Ensure Service Continuity	Award new agreement for OC ACCESS service provision - Q3					
20.	OC Flex (2020 Carryover - Revised)	Continue Pilot Program into 2021	Review service and performance halfway through the pilot program and present to Board - Q3					
21.	2022 LRTP and Program Environmental Impact Report (PEIR)	Initiate the LRTP PEIR Public Scoping Process	Release the California Environmental Quality Act (CEQA) NOP to initiate the public engagement process - Q3					
22.	Bus Fleet Outlook Plan	Make Recommendations for Restructuring the OC Bus Fixed-Route System	Update Fleet Outlook and present to ESC - Q3					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

### THIRD QUARTER (Q3) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
23.	M2 Triennial Performance Assessment	Evaluate the Efficiency, Effectiveness, Economy, and Results of the Agency's Delivery of M2	Initiate the 2018-2021 M2 Triennial Performance Assessment - Q3					
24.	SR-91 Implementation Plan	Collaborate with RCTC to Update the Plan in Support of Regional SR-91 Corridor	Present Plan to Board - Q3					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

# FOURTH QUARTER (Q4)

0 of 40 Completed - 0%

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
1.	I-405 Improvement Project	Continue to Advance Construction	Complete and fully open bridges at Talbert Avenue, Magnolia Street, and Goldenwest Street - Q4					
2.	OC Streetcar	Continue to Advance Construction	Report on status of construction to meet October 2022 service startup date Q1 - Q4					
3.	Placentia Metrolink Station (2020 Carryover - Revised)	Provide Station Approval Progress	Provide update on agreements necessary to obtain station approval to Transit Committee - Q4					
4.	Diversity Outreach	Conduct Diversity Outreach Programs to Support Capital Projects, Planning Studies and Marketing	Ensure outreach activities include two-way communications and meaningful engagement with diversity stakeholders including communities of color, disadvantaged communities, and other under-represented groups. Provide annual update to the Board - Q4					
5.	Market Research	Obtain Statistically Valid Data to Determine How COVID-19 Has Impacted Employment, Travel, and Teleworking in Orange County	Conduct follow-up Employment and Travel Survey and report results to the Board - Q4					
6.	Marketing Activities	Promote and Educate Public on OCTA Services	Develop and launch a ridership comeback campaign when social distancing guidelines are less restrictive - Q4					
7.	Marketing Activities	Promote and Educate Public on OCTA Services	Present biannual updates on ongoing campaigns promoting bus, rail, OC Flex, rideshare, vanpool services, and bus service changes to L&C - Q2 and Q4					
8.	Outreach Activities	Conduct Outreach to Support Capital Projects and Planning Studies	Provide quarterly I-405 and OC Streetcar updates, as well as I-5 South and SR-55, and other projects and studies as appropriate to Board - Q1-Q4					
9.	241/91 Express Lanes Connector (ELC)	Provide 241/91 ELC Project Progress	Provide an update on the status of the project with a discussion on the development of the agreements related to the term sheet to Board - Q4					
10.	91 Express Lanes Operating Contract Transition	Implement New Transaction Processing System	Transition to a new contract for the back-office and customer service center systems - Q4					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

## FOURTH QUARTER (Q4) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
11.	Crisis Communications	Ensure Agency and Staff Preparedness	Conduct a tabletop exercise for the Crisis Communications team and revise Crisis Communications Plan as appropriate - Q4					
12.	Comprehensive Annual Financial Report	Ensure Accountability and Transparency	Obtain an unmodified opinion from the external auditors and provide the annual financial statements to Board - Q4					
13.	Digital Transformation Strategies	Continue Operations Plan	Move all shared work files into the cloud - Q4					
14.	Fare Collection System	Replace OCTA's Fareboxes	Provide a recommendation for a fare collection system to the Board - Q4					
15.	COVID-19 Legislation	Track and Monitor COVID-19-Related Legislation and Regulations	Provide updates to the Board on legislation and regulatory activities regarding COVID-19 - Q2 and Q4					
16.	Federal Compliance Training	Provide Federal Compliance and Oversight Training	Conduct federal compliance training for agency's project managers and subject matter experts - Q4					
17.	Federal Transportation Reauthorization	Monitor Reauthorization Efforts	Report on discussions consistent with legislative platforms to Board - Q4					
18.	Legislative Forums	Communicate Transportation Needs and Challenges	Conduct forums with local delegation representatives and present report to ESC - Q2 and Q4					
19.	Legislative Platforms	Set Legislative Priorities	Present 2022 State and Federal Legislative Platforms to Board - Q4					
20.	Legislative Priorities	Provide End of Session Report	Discuss outcomes of legislative priorities with L&C - Q4					
21.	Subrecipient Compliance Reviews	Identify Compliance Issues and Correct as Needed	Complete compliance reviews for all of OCTA's federal subrecipients - Q4					
22.	COVID-19 Task Force (2020 Carryover)	COVID-19 Planning and Response Actions	Track, monitor, and implement policies/plans related to COVID-19. Update Executive Leadership to provide updates to the Board - Q1-Q4					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

## FOURTH QUARTER (Q4) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
23.	Diversity, Inclusion, Equity and Belonging	Identify, Develop, and Propose Solutions to Help Address Gaps in Current OCTA Employee Programs and Processes (i.e. Recruiting Efforts, Training, and Affirmative Action), and Propose Improvements, Enhancements, and Solutions; and to Support Employees' Voices Throughout the Organization	Develop a process for ensuring diversity in participants of OCTA's learning academies, including completion of Unconscious Bias Training for all OCTA employees - Q4					
24.	Modernizing OCTA's Workforce	Achieve 25% of Administrative Employee Workforce as Remote Workers	Report on strategies to reduce the commute time and VMT for employees in the remote work program to ESC - Q4					
25.	Bus Fleet (40-Foot CNG Bus Procurement)	Ensure Asset Preservation	Receive first article of CNG-powered buses - Q4					
26.	iShuttle	Ensure Asset Preservation	Receipt of remaining 11 iShuttle buses - Q4					
27.	OC Streetcar	Ensure Vehicle Delivery	Receive delivery of first OC Streetcar - Q4					
28.	Zero-Emission Battery-Electric Buses	Reduce Emissions in Orange County	Receive first two of ten plug-in battery-electric buses (remaining eight will arrive in 2022) - Q4					
29.	Zero-Emission Bus Pilots	Reduce Emissions in Orange County	Provide progress report to Board on zero-emission bus pilots, including the hydrogen fuel-cell electric buses and plug-in battery-electric buses - Q4					
30.	2022 STIP	Maximize State Funding Opportunities	Present the 2022 STIP proposal to Board for approval - Q4					
31.	Active Transportation Initiatives	Implement Programs in Support of Non-Motorized Transportation	Provide biannual updates on Safe Routes to School, OC Loop, STEP Campaign and Safety Programs to Board - Q2 and Q4					
32.	Agency Climate Resiliency and Sustainability Practices	Create a Comprehensive Plan	Using information from the gap analysis, initiate procurement to develop a Climate Resiliency and Sustainability Plan that is consistent with applicable state plans - Q4					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER

## FOURTH QUARTER (Q4) (Continued)

#	Project/Program	Objective	Milestone	Notes	Q1	Q2	Q3	Q4
33.	Congestion Management Program (CMP)	Support Regional Mobility by Reducing Traffic Congestion	Present the 2021 CMP Report to Board for adoption - Q4					
34.	Future of High-Capacity Transit (2020 Carryover - Revised)	Seek Direction of Future Transit Options	Present Future of High-Capacity Transit for discussion to Transit Committee - Q4					
35.	M2 Environmental Cleanup Program	Fund Water Quality Improvements	Present programming recommendations for Tier 1 Water Quality Projects (Project X) grant awards to Board - Q4					
36.	M2 Environmental Mitigation Programs	Ensure Comprehensive Freeway Program Mitigation	Present biannual progress reports to Board - Q2 and Q4					
37.	M2 Quarterly Reports	Provide Updates on Progress of M2 Implementation and Fulfill the Requirements of the M2 Ordinance No. 3	Present quarterly reports to the Board - Q1-Q4					
38.	Regional Planning Activities	Highlight Transportation Planning Activities	Present biannual reports on activities underway that impact OCTA and the Southern California Region to Board - Q2 and Q4					
39.	SB 743 (Chapter 386, Statutes of 2013) Compliance	Support SB 743 Requirements	Monitor and incorporate applicable SB 743 measures in planning processes and provide update to ESC - Q4					
40.	Signal Synchronization Technology	Future Proof Infrastructure	Provide biannual updates on Signal Synchronization projects (Project P) - Q2 and Q4					

ON TRACK

COMPLETED

TIMETABLE ADJUSTED

CARRYOVER



# Acronyms

APTA – American Public Transit Association	Q1 – First Quarter
Board – Board of Directors	Q2 – Second Quarter
Caltrans – California Department of Transportation	Q3 – Third Quarter
CBP – Comprehensive Business Plan	Q4 – Fourth Quarter
CEO – Chief Executive Officer	RCTC – Riverside County Transportation Commission
CNG – Compressed Natural Gas	RCP – Regional Capacity Program
ESC – Executive Steering Committee	RPH – Regional Planning and Highways Committee
EV – Electric Vehicle	RFP – Request for Proposals
FTA – Federal Transit Administration	ROW – Right-of-Way
FY – Fiscal Year	RTSSP – Regional Transportation Signal Synchronization Program
I-5 – Interstate 5	RCTC – Riverside County Transportation Commission
I-405 – Interstate 405	SB – Senate Bill
I-605 – Interstate 605	SR-55 – State Route 55
L&C – Legislative and Communications Committee	SR-57 – State Route 57
LRTP – Long Range Transportation Plan	SR-73 – State Route 73
M2 – Measure M2	SR-91 – State Route 91
NOP – Notice of Preparation	SAFE – Safer Affordable Fuel Efficiency
NTP – Notice to Proceed	STIP - State Transportation Improvement Program
PA/ED – Project Approval/Environmental Document	TCA – Transportation Corridor Agencies
PDT – Project Development Team	VMT – Vehicle Miles Traveled

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 January 11, 2021, regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Jones at 9:01 a.m. at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

## **Roll Call**

The Deputy Clerk of the Board (DCOB) conducted an attendance Roll Call and announced there was a quorum of the Board of Directors (Board) as follows:

Directors Present: Steve Jones, Chairman

***Via teleconference:***

Andrew Do, Vice Chairman  
Lisa A. Bartlett  
Doug Chaffee  
Ryan Chamberlain  
Barbara Delgleize  
Brian Goodell  
Michael Hennessey  
Gene Hernandez  
Joseph Muller  
Mark A. Murphy  
Vicente Sarmiento  
Tim Shaw  
Harry S. Sidhu

Director Absent: Donald P. Wagner

Also Present: Darrell E. Johnson, Chief Executive Officer (CEO)  
Jennifer L. Bergener, Deputy CEO/Chief Operating Officer  
Sahara Meisenheimer, Deputy Clerk of the Board  
Allison Cheshire, Deputy Clerk of the Board  
James Donich, General Counsel (via teleconference)

## **Invocation**

Director Shaw gave the invocation.

## **Pledge of Allegiance**

Director Muller led in the Pledge of Allegiance.

## **Special Calendar**

### **1. Administration of the Oath of Office to New and Returning Orange County Transportation Authority Board of Directors**

James Donich, General Counsel, administered the Oaths of Office to new Board Members Brian Goodell and Vicente Sarmiento and returning Board Members Andrew Do, Joseph Muller, Mark Murphy, and Tim Shaw.

### **2.. Election of Orange County Transportation Authority Board of Directors Chair**

Chairman Jones stated that the OCTA Administrative Code notes that the Board of Directors (Board) shall elect a Chair and Vice Chair at its first Board meeting in January.

Director Bartlett nominated Vice Chairman Andrew Do to be the 2021 Chairman and Director Mark Murphy to be the 2021 Vice Chairman of the Orange County Transportation Authority Board of Directors.

A motion was made by Director Bartlett, seconded by Director Hernandez, and following a roll call vote, declared passed 13-0, to elect Andrew Do to be the 2021 Chairman of the Orange County Transportation Authority Board of Directors.

### **3. Election of Orange County Transportation Authority Board of Directors Vice Chair**

A motion was made by Director Bartlett, seconded by Director Hernandez, and following a roll call vote, declared passed 13-0, to elect Director Mark Murphy to be the 2021 Vice Chairman of the Orange County Transportation Authority Board of Directors.

**3. (Continued)**

Newly elected Chairman Do thanked his Board colleagues for electing him as Chairman and congratulated newly-elected Vice Chairman Mark Murphy. Chairman Do stated they both would continue to tackle the challenges and opportunities throughout 2021.

Chairman Do thanked Immediate Past Chairman Jones for his work as Chairman this past year and discussed the following items.

- The Board of Directors will continue meeting the County's transportation needs while keeping the public and OCTA employees' safety a top priority.
- At the next meeting, the 2021 Board Initiatives will guide the agency and focus our efforts on delivering innovative transportation solutions for all people across all transportation modes.
- Everyone was encouraged to provide their ideas and constructive feedback on how the Board can enhance transportation.
- Public input from the communities is critical in informing the decision-making process. The OCTA staff did excellent work soliciting input in many forms and reminded the public that any feedback is always welcome.

**4. Salute to Outgoing Chairman Steve Jones**

Darrell E. Johnson, Chief Executive Officer (CEO), reported on the following:

- 2020 was a year like anyone has ever experienced. The challenges OCTA faced as a transportation agency were unprecedented. The pandemic impacted every area of OCTA operations and the organization.
- The Coronavirus (COVID-19) pandemic required OCTA to be incredibly flexible and adjust how the staff operates service safely and continue doing business as an agency.
- Each decision made and action taken in 2020 was done to ensure OCTA continued delivering essential transportation services and projects. OCTA did this while taking every possible step to protect the health and safety of our passengers, employees, and the public.
- Mr. Johnson, CEO, thanked Immediate Past Chairman Jones for successfully leading the Board and staff through a year that no one, except maybe Hollywood screenwriters, could have imagined.

**4. (Continued)**

- Chairman Jones's leadership throughout 2020 allowed OCTA to remain focused on all of our core values and flexibility as staff had to adjust sometimes daily, to the evolving circumstances. Chairman Jones's steady leadership ensured that OCTA would keep Orange County moving and, most importantly, move safely.
- Every year the staff has presented the outgoing Chairman with a framed photo from one of the many OCTA events attended. Unfortunately, while Chairman Jones did an exceptional job leading the Board this year, and the staff accomplished a tremendous job, the staff didn't have a lot to choose from and didn't want to use a picture of you behind plexiglass. However, one highlight from the year was OCTA's progress on Interstate 405 (I-405) freeway, and staff was able to find a photo from the video shoot.

Mr. Johnson, CEO, recognized and presented to outgoing Chairman Jones a gift of appreciation for his leadership as the 2020 Chairman of the Board of Directors.

Chairman Do echoed Mr. Johnson's comments and thanked Chairman Jones for keeping the Board, and the agency focused on the following priorities:

- The OCTA Agency provided the public with a safe and reliable bus service.
- Led the Board and kept the agency focused on priorities, and continued to keep capital projects moving forward with tremendous effort.

**Consent Calendar (Items 5 through 14)**

**Orange County Transportation Authority Consent Calendar Matters**

**5. Approval of Minutes**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of December 14, 2020.

**5. (Continued)**

Directors Goodell and Sarmiento abstained from voting on this item due to not being present for the meeting.

**6. Coronavirus Update**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to receive and file as an information item.

**7. Amendments to the Master Plan of Arterial Highways**

Director Bartlett pulled this item to express excitement for the proposed changes and stated this amendment is a critical step to move projects forward.

A motion was made by Director Bartlett, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to:

- A. Conditionally approve the following amendments to the Master Plan of Arterial Highways to reclassify the facilities listed below in the unincorporated area of the County of Orange and/or the City of San Clemente:

County of Orange

- Reclassify Chiquita Canyon Drive between north of Fauna Drive and Esencia Drive from a secondary (four-lane, undivided) arterial to a divided collector (two-lane, divided);
- Reclassify Fauna Drive between Chiquita Canyon Drive and Esencia Drive from a secondary (four-lane, undivided) arterial to a collector (two-lane, undivided) arterial; and
- Reclassify Esencia Drive between Andaza Street and Fauna Drive from a secondary (four-lane, undivided) arterial to a collector (two-lane, undivided) arterial.

County of Orange and City of San Clemente

- Delete planned Cristianitos Road south of Cow Camp Road and replace with Los Patrones Parkway extension from south of Cow Camp Road to Avenida La Pata as a primary (four-lane, divided) arterial.

**7. (Continued)**

City of San Clemente

- Reclassify Camino Vera Cruz between Camino De Los Mares and Carreterra from a secondary (four-lane, undivided) arterial to a divided collector (two-lane, divided); and
- Reclassify Camino De Los Mares between Camino Del Rio and the City of San Clemente's eastern limit from a secondary (four-lane, undivided) arterial to a divided collector (two-lane, divided).

Each of the proposed amendments will become final, contingent upon the Orange County Transportation Authority receiving documentation confirming that the respective agency or agencies have amended their general plans accordingly and have complied with the requirements of the California Environmental Quality Act.

If a general plan is not updated within three years to reflect the proposed Master Plan of Arterial Highway amendment, the contingent amendment will expire, but can be returned to the Orange County Transportation Authority's Board of Directors for reconsideration and action.

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

- 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 Master Plan of Arterial Highways amendment.
- C. Receive and file a status report on the active Master Plan of Arterial Highways amendments.

**8. Orange County Transportation Authority State and Federal Grant Programs - Update and Recommendations**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to:

- A. Approve the requests to delay the City of Costa Mesa Adams Avenue and Pinecreek Drive Intersection Project and the County of Orange OC Loop Carbon Canyon Bikeway Gap Closure (Segment D) Project.
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program and execute any required agreements or amendments to facilitate the recommendations above.

**Orange County Transit District Consent Calendar Matters**

**9. Approval to Release Request for Proposals for Detail Bus Cleaning and Pesticide Application Services**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 0-2702 to provide detail bus cleaning and pesticide application services.
- B. Approve the release of Request for Proposals 0-2702 for detail bus cleaning and pesticide application services.

**Orange County Local Transportation Authority Consent Calendar Matters**

**10. Cooperative Agreement with the California Department of Transportation for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-0-2726 between the Orange County Transportation Authority and California Department of Transportation, in the amount of \$255,320,000, comprised of a construction capital share of \$213,460,000, and a construction management services share of \$41,860,000, for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.



**11. Supplemental Contract Change Order for the Interstate 405 Improvement Project from State Route 73 to Interstate 605 - Archaeological Treatment Plan**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to authorize the Chief Executive Officer to negotiate and execute supplemental Contract Change Order No. 57.2 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$2,500,000, to implement and maintain an archaeological treatment plan and continue archaeological monitoring for the Interstate 405 Improvement Project from State Route 73 to Interstate 605.

**12. Measure M2 Quarterly Progress Report for the Period of July 2020 Through September 2020**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to receive and file as an information item.

**13. Measure M2 Environmental Mitigation Program Update**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to receive and file as an information item.

**14. State Route 55 Improvement Project from Interstate 5 Funding Plan Update and SB 1 (Chapter 5, Statutes of 2017) Grant Acceptance**

A motion was made by Director Hernandez, seconded by Director Delgleize, and following a roll call vote, declared passed 13-0, to:

- A. Adopt Resolution No. 2021-001, to accept the Trade Corridor Enhancement Program Grant Award from the California Transportation Commission for \$115 million, to commit to the required match of 30 percent for the State Route 55 Improvement Project from Interstate 405 to Interstate 5, and to negotiate and execute any grant required agreements.
- B. Adopt Resolution No. 2021-002, to accept the Local Partnership Program-Competitive Grant Award from the California Transportation Commission for \$25 million, to commit to the required match of 50 percent for the State Route 55 Improvement Project from Interstate 405 to Interstate 5, and to negotiate and execute any grant required agreements.

**14. (Continued)**

- C. Authorize the use of up to \$36 million in additional federal Surface Transportation Block Grant Program Funds, up to \$22 million in federal Congestion Mitigation and Air Quality Improvement Program funds, and the reduction of Measure M2 Freeway Program funds of \$29.5 million for the State Route 55 Improvement Project from Interstate 405 to Interstate 5.
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program to facilitate programming of the project.

**Regular Calendar**

**Orange County Local Transportation Authority Regular Calendar Matters**

**15. Interstate 405 Improvement Project Update**

Chairman Do provided opening comments and introduced Jeff Mills, Program Manager, Interstate 405 (405) Improvement Project, and Chris Boucly, 405 Section Manager, Public Outreach, who co-presented the PowerPoint presentation for this item as follows:

- Project Location and Key Features;
- Background;
- Project Update;
- Construction Update:
  - Wall Construction
  - Concrete paving operations
  - Fairview Road bridge construction
  - Santa Ana River bridge construction
  - Bushard Street bridge complete
  - Magnolia Street bridge construction
  - Heil Avenue pedestrian overcrossing (POC) construction
  - McFadden Avenue bridge complete
  - Bolsa Avenue bridge construction
- Look Ahead for 2021 Bridge Construction;
- Bridge Construction Map;
- Major Risks Remaining;
- 2020 Outreach Metrics; and
- Upcoming Outreach.

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

## **Discussion Items**

### **16. Board of Directors and Chief Executive Officer Initiatives - End-of-Year 2020 Report**

Mr. Johnson, CEO, stated at the conclusion of 2020, 77 of the 92 milestones were completed. Attachment B provides a summary of all 92 milestones, including the 15 milestones that will be carried over into 2021. Carryover milestones had to be adjusted due to the inability to have in-person discussions, dependency on coordination with external agencies, and other impacts and delays resulting from COVID-19.

Mr. Johnson, CEO, discussed the following items:

- This item is a summary of the 2020 CEO Initiatives and Action Plan. There were nine CEO initiatives in 2020 that supported the five Board initiatives.
- At the beginning of 2020, it was planned that OCTA's progress on accomplishing the initiatives would be measured through 97 milestones. Mr. Johnson, CEO, stated as a result of the COVID-19 pandemic, staff had to review and adjust specific projects and programs to ensure the health and well-being of the employees while also upholding the commitments to providing services for the public.
- A revised CEO Action Plan was presented to the Board in May of 2020 with an updated 92 total milestones. Since March of last year, OCTA has been and continues to monitor and respond to the risks and impacts of the pandemic.
- Considering the challenges and hardships that 2020 brought upon OCTA, Mr. Johnson, CEO, was pleased to report that OCTA ended the year with 84 percent of the milestones completed.
- Mr. Johnson, CEO, referenced Attachment C of the staff report, and highlighted the accomplished milestones.
- Noted several significant milestones that OCTA achieved that are worth noting, such as:
  - The opening of the McFadden Avenue and Bushard Street bridges on the I-405 freeway project.
  - Advancing efforts to reach zero-emission bus goal by 2040, including:
  - Approving the purchase of 10 plug-in battery-electric buses for the zero-emission bus pilot program.

**16. (Continued)**

- Debuting the hydrogen fueling station the largest in the nation;
  - Adding 10 hydrogen fuel-cell electric buses to the bus fleet, and
- Extending the College Pass Program to Saddleback College and beyond the pilot phase for Santa Ana College and the Rancho Santiago Community College District Continuing Education Program
- Creating a COVID-19 Task Force to plan and guide OCTA on responding to and mitigating the pandemic's risks to the organization, employees, and the public.
- Ensuring fiscal accountability and transparency through the comprehensive annual financial report, an external audit of OCTA's financial records, which declared OCTA's financial statements as fairly presented to the agency's financial position.
- Continuing to advance workforce learning and professional development through virtual delivery of the Leadership Development, Early Career, and Intern Development Academies.

Mr. Johnson, CEO, acknowledged the achievements that OCTA could accomplish amid the pandemic's obstacles. It was a true reflection of the staff's ability to adapt and their dedication to keeping Orange County moving.

Chairman Do acknowledged outgoing Chair Jones, Mr. Johnson, CEO, and OCTA employees on the 77 initiatives accomplished and the 15 initiatives carried over into 2021, despite the challenges.

Director Bartlett thanked Mr. Johnson, CEO, outgoing Chairman Jones, and staff for their hard work and appreciates the flexibility and high-level communication and commitment to the Board.

Following the discussion, no action was taken on this information item.

**17. Public Comments**

There were no Public Comments.

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

Mr. Johnson, CEO, reported on the following:

Happy New Year

- Thanked the entire Board and Immediate Past Chairman Jones for his leadership throughout the past year.
- He congratulated Chairman Do and Vice Chairman Murphy on being selected to lead the Board this year.
- Welcomed Directors Goodell and Sarmiento and is looking forward to working with them on the course of their term on the Board.

Human Trafficking Awareness Campaign

- Mr. Johnson, CEO, reminded all that January is Human Trafficking Awareness Month and stated California consistently has the nation's highest human trafficking rates. Unfortunately, human trafficking has increased during the pandemic.
- In response, OCTA has re-launched the “Be the One” marketing campaign to educate the public about human trafficking and learn how to spot the signs. This awareness campaign will run through the end of the month and will include:
  - Paid and organic media
  - Bus advertising (including a full bus wrap)
  - Information on our website
  - Email blast
  - Blog article
  - Press release

**19. Directors' Reports**

Director Hennessey congratulated Chairman Do and thanked outgoing Chairman Jones for his diligent leadership in 2020 and looks forward to serving with Chairman Do and Vice Chairman Murphy.

Director Shaw welcomed new Directors Goodell and Sarmiento and thanked outgoing Chairman Jones for his leadership. He congratulated Chairman Do and Vice Chairman Murphy for being elected as the Board's 2021 Chairman and Vice Chairman, respectively.

Director Sarmiento congratulated Chairman Do and Vice Chairman Murphy, thanked outgoing Chairman Jones, and looks forward to working with everyone.

Director Goodell looks forward to working with the Board and staff and representing South County.

**19. (Continued)**

Chairman Do thanked his Board colleagues for electing him as Chairman, and echoed Director Shaw's comments, and stated that OCTA is well-positioned to move ahead, despite Covid-19.

**20. Closed Session**

There were no Closed Sessions items scheduled.

**21. Adjournment**

The meeting adjourned at 9:53 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, January 25**, at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

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Sahara Meisenheimer  
Deputy Clerk of the Board

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Andrew Do  
Chairman



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Fiscal Year 2019-20 Annual Financial Statement Audits, Single Audit, and Agreed-Upon Procedures Reports

Finance and Administration Committee Meeting of January 13, 2021

**Present:** Directors Do, Hennessey, Hernandez, Jones, and Muller  
**Absent:** None

**Committee Vote**

Following the roll call vote, this item was declared passed 5-0 by the Members present.

**Committee Recommendation**

Receive and file the fiscal year 2019-20 annual financial statement audits, Single Audit, and agreed-upon procedures reports as information items.



**January 13, 2021**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer  
Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Fiscal Year 2019-20 Annual Financial Statement Audits, Single Audit, and Agreed-Upon Procedures Reports

### **Overview**

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements and on its compliance with requirements of major federal programs. Crowe LLP, an independent accounting firm, has completed its annual audits of the Orange County Transportation Authority and related entities for the fiscal year 2019-20, and issued the required Single Audit report with its opinion on the Orange County Transportation Authority's compliance with major federal programs. In addition, reports have been issued on the results of agreed-upon procedures applied by Crowe LLP, to assist management in determining compliance with certain state, federal, and local requirements.

### **Recommendation**

Receive and file the fiscal year 2019-20 annual financial statement audits, Single Audit, and agreed-upon procedures reports as information items.

### **Background**

Pursuant to Section 28770 of the Public Utilities Code, the Orange County Transportation Authority (OCTA) prepares an annual set of financial statements presenting its results of operations and financial position at fiscal year-end. The financial statements are included in OCTA's Comprehensive Annual Financial Report (CAFR), which was presented to the Board of Directors on December 14, 2020. In connection with the CAFR audit, Crowe LLP (Crowe) provides opinions on other financial reports of OCTA, conducts the required Single



Audit, and applies agreed-upon procedures to assist management in determining compliance with certain federal, state, and local requirements.

The audits were performed under generally accepted auditing standards, the standards set forth for financial audits in the Government Accountability Office's *Government Auditing Standards*, audit requirements of Title 2 United States Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as the following additional requirements, where applicable:

- *State of California Transportation Development Act,*
- *Renewed Measure M Transportation Investment Plan,*
- *Special District and Transit District Reporting Requirements,* as specified by the California State Controller, and
- *Section 1.5 of Article XIII B of the California Constitution,* with procedures specified by the League of California Cities in *Article XIII B Appropriations Limitation Uniform Guidelines*

### ***Discussion***

Crowe has completed its annual engagement and issued unmodified opinions on all financial statement audits for the fiscal year ended June 30, 2020. Results of the required Single Audit and all agreed-upon procedures reviews have also been issued. Reports are included as attachments A through J.

Crowe previously made communications required by professional standards at the Finance and Administration Committee on December 9, 2020. No additional recommendations or observations were made related to the Single Audit or the agreed-upon procedures reports attached herewith.

### ***Summary***

Crowe has completed its annual financial audits of OCTA and related entities for the fiscal year 2019-20, as well as the Single Audit of OCTA. Additionally, reports have been issued on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements.

***Attachments***

- A. Orange County Transportation Authority Single Audit Year ended June 30, 2020
- B. Orange County Local Transportation Authority (A Component Unit of the Orange County Transportation Authority) Annual Financial and Compliance Report Year Ended June 30, 2020
- C. Orange County Transportation Authority Local Transportation Fund Financial Statements Year ended June 30, 2020
- D. Orange County Transportation Authority State Transit Assistance Fund Financial Statements Year ended June 30, 2020
- E. Orange County Transportation Authority Independent Auditor's Report on Proposition 1B Schedule of Unspent Funds and Cash Disbursements Year ended June 30, 2020
- F. Independent Accountant's Report on Applying Agreed-Upon Procedures
- G. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed-Upon Procedures with Respect to the Treasury Department Year ended June 30, 2020
- H. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed Upon Procedures Related to Article XIII-B Appropriations Limit Calculation For the fiscal year ended June 30, 2020
- I. Orange County Transportation Authority Agreed-Upon Procedures Performed with Respect to the National Transit Database Report June 30, 2020
- J. Orange County Local Transportation Authority Independent Accountant's Report on Applying Agreed Upon Procedures Related to Article XIII-B Appropriations Limit Calculation, For the fiscal year ended June 30, 2020

**Prepared by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-5591

**ORANGE COUNTY  
TRANSPORTATION AUTHORITY**

**SINGLE AUDIT**

Year ended June 30, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
Orange, California

SINGLE AUDIT  
Year ended June 30, 2020

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Orange County Transportation Authority Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements, and have issued our report thereon dated November 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OCTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCTA's internal control. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OCTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of the State of California Transportation Development Act (TDA), Title 21 of the California Code of Regulations, Public Utilities Code Section 99245, and California Government Code §8879.50 (collectively "Transportation Development Act") noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the Transportation Development Act.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Crowe LLP", is positioned above the printed name.

Crowe LLP

Costa Mesa, California  
November 16, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Orange County Transportation Authority  
Orange, California

**Report on Compliance for Each Major Federal Program**

We have audited Orange County Transportation Authority (OCTA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of OCTA's major federal programs for the year ended June 30, 2020. OCTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of OCTA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about OCTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of OCTA's compliance.

***Opinion on Each Major Federal Program***

In our opinion, OCTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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(Continued)

## Report on Internal Control over Compliance

Management of OCTA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered OCTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of OCTA as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements. We issued our report thereon dated November 16, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Costa Mesa, California  
December 17, 2020



ORANGE COUNTY TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Grant/Pass-Through Identification Number	Federal Expenditures	Passed Through to Subrecipients
<b><u>U.S. Department of Transportation</u></b>				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit - Capital Improvement Grants	20.500	Multiple	\$ 33,113,666	\$ 221,544
Federal Transit - Formula Grants	20.507	Multiple	30,120,347	-
COVID-19 - Federal Transit - Formula Grants	20.507	CA-2020-146-00	33,118,755	-
State of Good Repair Program	20.525	Multiple	3,462,150	-
Total Federal Transit Cluster			99,814,918	221,544
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	CA-2020-037	2,178,051	-
Job Access and Reverse Commute Program	20.516	CA-37-X113	1,008,826	445,968
Total Transit Services Programs Cluster			3,186,877	445,968
Passed Through California Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	Multiple	24,289,931	-
Total U.S. Department of Transportation			127,291,726	667,512
<b><u>U.S. Department of Homeland Security</u></b>				
Direct Programs:				
Office of Security Operations:				
National Explosives Detection Canine Team Program	97.072	Multiple	203,968	-
Passed Through State of California Office of Emergency Services:				
Rail and Transit Security Grant Program (TSGP)	97.075	EMW2017RA00028	34,933	-
Total U.S. Department of Homeland Security			238,901	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 127,530,627</b>	<b>\$ 667,512</b>

See accompanying notes to the schedule of expenditures of federal awards.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2020

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents only the expenditures incurred by OCTA that are reimbursable under federal programs of federal financial assistance for the year ended June 30, 2020. For the purposes of this schedule, federal financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by OCTA from a non-federal agency or other organization. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. OCTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 – TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) PROGRAM LOAN**

In July 2017, OCTA executed a TIFIA loan agreement with the United States Department of Transportation in an amount not to exceed \$628,930,000 to finance a portion of OCTA's I-405 improvement project. There were no TIFIA expenditures during the fiscal year ended June 30, 2020. As of June 30, 2020, \$122,000,000 was drawn on the TIFIA Loan and the amount outstanding including interest under the TIFIA loan was \$302,421,475.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2020

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**SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_\_\_ Yes        X   None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes        X   No

Identification of major federal programs:

CFDA Numbers

20.500 / 20.507 / 20.525  
20.513 / 20.516

Federal Transit Cluster  
Transit Services Programs Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

  X   Yes      \_\_\_\_\_ No

Orange County Local Transportation Authority  
(A Component Unit of the Orange  
County Transportation Authority)

ANNUAL FINANCIAL AND  
COMPLIANCE REPORT

Year Ended June 30, 2020

Orange County Local Transportation Authority  
(A Component Unit of the Orange County Transportation Authority)

Audited Financial Statements

Year Ended June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Orange County Local Transportation Authority  
Orange, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Orange County Local Transportation Authority (OCLTA), a component unit of the Orange County Transportation Authority (OCTA), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise OCLTA's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of OCLTA as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the Local Transportation Authority Special Revenue Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise OCLTA's basic financial statements. The budgetary comparison schedule for the Local Transportation Authority Debt Service Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule for the Local Transportation Authority Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, on our consideration of OCLTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OCLTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OCLTA's internal control over financial reporting and compliance.



Crowe LLP

Costa Mesa, California  
November 16, 2020

**Orange County Local Transportation Authority**  
**Management's Discussion and Analysis**  
**(unaudited)**  
**For the Fiscal Year Ended June 30, 2020**

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As management of the Orange County Local Transportation Authority (OCLTA), we offer readers of the OCLTA's financial statements this narrative overview and analysis of the OCLTA's Measure M financial activities for the fiscal year (FY) ended June 30, 2020. We encourage readers to consider the information on financial performance presented in conjunction with the financial statements that begin on page 10. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- Total net position of the OCLTA was \$539,825 as of June 30, 2020. The net position of the OCLTA is restricted for transportation projects, Environmental Mitigation Program and debt service.
- Net position decreased by \$86,094 during FY 2019-20. This decrease was primarily due to program expenses exceeding general and program revenues. In FY 2019-20, sales tax revenue decreased by \$15,223 compared to FY 2018-19. In addition, operating grants and contributions decreased by \$65,198, or 45.5 percent, compared to the prior fiscal year.
- OCLTA's governmental funds reported combined ending fund balances of \$1,210,869 reflecting a decrease of \$92,678 from the prior FY. The decrease is primarily due to an increase in capital expenditures related to the I-405 Improvement Project in the current year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the OCLTA's basic financial statements, which are comprised of three components including government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements. Because the OCLTA is a governmental activity of the Orange County Transportation Authority (OCTA), governmental funds are used to account for its Measure M program activities. The basic financial statements include only the activities of the OCLTA.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the OCLTA's finances using the accrual basis of accounting, in a manner similar to a private-sector business.

The statement of net position presents information on all of the OCLTA's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the OCLTA is improving or deteriorating.

The statement of activities presents information showing how the OCLTA's net position changed during the FY. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements can be found on pages 10-11 of this report.



## Orange County Local Transportation Authority Management's Discussion and Analysis

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### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with Measure M finance-related legal requirements. The OCLTA uses governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental funds financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the FY. Such information may be useful in evaluating the OCLTA's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. As a result, readers may better understand the long-term impact of the OCLTA's near-term financing decisions. Both the governmental funds balance sheet and related statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The OCLTA maintains two individual governmental funds which are considered to be major funds. Information is presented separately in the governmental funds balance sheet and in the related statement of revenues, expenditures and changes in fund balances for the OCLTA's major governmental funds.

The governmental funds financial statements and related reconciliations to governmental activities can be found on pages 12-15 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-31 of this report.

The OCLTA adopts an annual budget for its two funds. A budgetary comparison schedule has been provided for the LTA special revenue fund as required supplementary information on page 32 and the LTA debt service fund as other supplementary information on page 34 to demonstrate compliance with the annual appropriated budget.

**Orange County Local Transportation Authority  
Management's Discussion and Analysis**

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**Government-wide Financial Analysis**

As noted previously, net position may serve over time as a useful indicator of the OCLTA's financial position. At June 30, 2020, the OCLTA's assets and deferred outflows of resources exceeded liabilities by \$539,825, a \$86,094 decrease from June 30, 2019. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the OCLTA's governmental activities.

Table 1  
Orange County Local Transportation Authority  
Net Position

	Governmental Activities	
	2020	2019
Current and other assets	\$ 1,319,159	\$ 1,428,831
Assets held for resale	10,476	371
Total assets	1,329,635	1,429,202
Deferred outflows of resources		
Deferred charge on refunding	1,430	1,499
Current liabilities	99,430	100,688
Long-term liabilities	691,810	704,094
Total liabilities	791,240	804,782
Total net position	\$ 539,825	\$ 625,919

Total assets decreased by \$99,567, or 7.0 percent, from June 30, 2019. This decrease is primarily due to a decrease in cash and investments, which resulted primarily from an increase in cash outflow related to the I-405 Improvement Project during the fiscal year.

Total liabilities decreased by \$13,542, or 1.7 percent, from June 30, 2019. This decrease is primarily due to principal payments during the fiscal year.

Total net position from governmental activities decreased from \$625,919 at June 30, 2019 to \$539,825 at June 30, 2020. This decrease was primarily due to decreased operating grants and contributions and sales tax revenues, in addition to higher program expenses such as infrastructure.

**Orange County Local Transportation Authority  
Management's Discussion and Analysis**

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Table 2  
Orange County Local Transportation Authority  
Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 1,195	\$ 454
Operating grants and contributions	77,975	143,173
General revenues:		
Sales taxes	317,964	333,187
Unrestricted investment earnings	53,871	46,824
Other miscellaneous revenue	(67)	110
Total revenues	450,938	523,748
Measure M program expenses	537,032	460,785
Change in net position	(86,094)	62,963
Net position – beginning	625,919	562,956
Net position – end of year	\$ 539,825	\$ 625,919

OCLTA expenses shown on the statement of activities consist of:

	Governmental Activities	
	2020	2019
Supplies and services	\$ 83,941	\$ 92,893
Contributions to other local agencies	93,577	109,443
Bond issuance	—	826
Infrastructure	266,035	184,048
Interest expense	32,376	24,253
Contributions to other OCTA funds	61,103	49,322
Total expenses	\$ 537,032	\$ 460,785

Governmental activities decreased the OCLTA's net position by \$86,094.

Total revenues decreased by \$72,810, or 13.9 percent, from FY 2018-19 primarily due to a decrease in operating grants and contributions for freeway projects including the I-405 Improvement Project. Also, investment earnings increased by \$7,047 due to market performance. Sales taxes,

## Orange County Local Transportation Authority Management's Discussion and Analysis

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which ultimately financed a significant portion of the OCLTA's net costs, decreased by \$15,223 from the prior year as a result of the coronavirus pandemic impact in the economy.

Program expenses increased by \$76,247 primarily due to an increase in expenses related to the I-405 Improvement Project.

### Financial Analysis of the OCLTA's Funds

As of June 30, 2020, the OCLTA's governmental funds reported combined ending fund balances of \$1,210,869, a decrease of \$92,678 compared to FY 2018-19. The majority of fund balances, 96.8 percent, are restricted for transportation projects funded by the Measure M Program. The remaining fund balances are restricted for the Environmental Mitigation Program and for debt service on M2 sales tax revenue bonds issued to accelerate funding for transportation projects.

OCLTA's major governmental funds include the following significant changes:

The LTA fund balance decreased by \$74,953 primarily due to an increase in capital expenditures related to the I-405 Improvement Project.

The LTA Debt Service fund balance decreased by \$17,725, due to an increase in interest expenditures related to debt service payments.

### Capital Asset and Debt Administration

#### Capital Assets

As of June 30, 2020, the OCLTA had \$0 net of accumulated depreciation invested in capital assets, including machinery.

A summary of the OCLTA's capital assets, net of depreciation, follows:

	Governmental Activities	
	2020	2019
Machinery	\$ 21	\$ 21
Total capital assets	21	21
Less accumulated depreciation	(21)	(21)
Total capital assets, net	\$ —	\$ —

More detailed information about the OCLTA's capital assets is presented in note 5 to the financial statements.

OCTA has outstanding capital expenditure commitments, the most significant of which are: \$583,689 for the I-405 Improvement Project and \$227,479 for the I-5 Freeway Widening Construction Project.

## **Orange County Local Transportation Authority Management's Discussion and Analysis**

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### **Debt Administration**

As of June 30, 2020, the OCLTA had \$626,690 in sales tax revenue bonds compared to \$635,220 as of the prior fiscal year.

The OCLTA maintains an "AA+" rating from Standard & Poor's Corporation (S&P), an "AA+" rating from Fitch Ratings (Fitch) and an "Aa2" rating from Moody's Investors Services (Moody's) for its 2010 M2 Sales Tax Revenue Bonds. The 2019 M2 Sales Tax Revenue Bonds have an "AA+" rating from S&P and an "AA+" from Fitch.

Additional information on the OCLTA's long-term debt can be found in note 6 to the financial statements.

### **Economic and Other Factors**

The OCLTA is responsible for administering Measure M, the half-cent transportation sales tax, which originally passed in 1990 and was delivered as promised to the residents of Orange County, with over \$4 billion invested in improvements to freeways, streets and roads and transit services. Measure M1 (M1) ended in March 2011, and collection of sales tax under Measure M2 (M2) began in April 2011. M2 was overwhelmingly approved by the voters of Orange County in 2006 because of the tangible results that were realized through M1. The passage of M2 has allowed for the continuation of transportation improvements through March 31, 2041. Allocation of M2 funds remains the same as the original M1 with 43 percent slated for freeway improvements, 32 percent for streets and roads, and 25 percent for transit projects and programs.

Although revenue collection for M2 projects did not begin until April 2011, OCTA began delivering projects early based on the five-year M2 Early Action Plan (EAP) adopted in 2007 and subsequent M2020 Plan adopted in 2012. Both delivery plans were developed to accelerate M2 freeway, streets and roads, transit, and environmental projects. In response to lower actual sales tax revenue, a new forecasting methodology was adopted in March 2016. This prompted the need to revisit the assumptions built into the M2020 plan. A new program/project delivery framework covering FY 2016-17 through FY 2025-26, called the Next 10 Plan, was adopted by the Board of Directors on November 14, 2016. The Next 10 Plan has been annually reviewed and updated, with the latest version adopted by the Board of Directors on November 11, 2019.

Due to the adverse impact of coronavirus pandemic brought to both the global and national economies, MuniServices, LLC has forecasted a 4.1% decline in sales tax for FY 2020-21 for M2. Sales tax for the M2 Program is estimated to be \$11.6 billion over the life of the measure.

The OCLTA adopted its FY 2020-21 annual budget on June 8, 2020. Approximately \$726 million in M2 funds are budgeted to improve transportation within Orange County. These funds will provide improvements to freeways and streets and roads throughout Orange County, as well as fund rail and bus transit programs. These funds include \$418 million to make improvements along Interstate 405, Interstate 5, State Route 55, State Route 91, and State Route 57. Approximately \$146 million is budgeted to improve streets and roads, including \$56 million for the Regional Capacity Program, \$49 million to fund the Local Fair Share Program, and \$36 million for Regional Traffic Signal Synchronization. In addition, the M2 transit budget consists of \$60 million in bus and rail projects, including \$32 million to continue the OC Streetcar project.

**Orange County Local Transportation Authority  
Management's Discussion and Analysis**

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**Contacting the OCLTA's Management**

This financial report is designed to provide a general overview of the OCLTA's finances for all those with an interest in the OCLTA's finances and to demonstrate OCLTA accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance and Administration Division of the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Statement of Net Position**  
**June 30, 2020**

<i>(amounts expressed in thousands)</i>	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 1,208,376
Receivables:	
Interest	4,658
Operating grants	7,479
Other	192
Due from other OCTA funds	229
Due from other governments	74,200
Condemnation deposits	7,810
Note receivable	3,225
Restricted investments	12,420
Other assets	570
Assets held for resale	10,476
<b>Total Assets</b>	<b>1,329,635</b>
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding	1,430
<b>Total Deferred Outflows of Resources</b>	<b>1,430</b>
<b>Liabilities</b>	
Accounts payable	57,273
Accrued interest payable	13,366
Due to other OCTA funds	15,450
Due to other governments	12,387
Unearned revenue	319
Other liabilities	17
Advance from other OCTA funds	618
Noncurrent liabilities:	
Due within one year	8,065
Due in more than one year	683,745
<b>Total Liabilities</b>	<b>791,240</b>
<b>Net Position</b>	
Restricted for:	
Transportation projects	509,112
Debt service	18,293
Environmental Mitigation Program	12,420
<b>Total Net Position</b>	<b>\$ 539,825</b>

See accompanying notes to the financial statements

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Statement of Activities**  
**For Year Ended June 30, 2020**

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in Net
			Contributions	Position
<i>(amounts expressed in thousands)</i>	Expenses			Governmental
				Activities
Program				
Governmental activities:				
Measure M program	\$ 537,032	\$ 1,195	\$ 77,975	\$ (457,862)
General revenues:				
Sales taxes				317,964
Unrestricted investment earnings				53,871
Other miscellaneous revenue				(67)
Total general revenues				371,768
Change in net position				(86,094)
Net position - beginning				625,919
Net position - ending				\$ 539,825

See accompanying notes to the financial statements



**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Balance Sheet - Governmental Funds**  
**June 30, 2020**

<i>(amounts expressed in thousands)</i>	<b>LTA</b>	<b>LTA Debt Service</b>	<b>Total OCLTA</b>
<b>Assets</b>			
Cash and investments	\$ 1,190,083	\$ 18,293	\$ 1,208,376
Receivables:			
Interest	4,658	—	4,658
Operating grants	7,479	—	7,479
Other	192	—	192
Due from other OCTA funds	229	—	229
Due from other governments	72,070	2,130	74,200
Condemnation deposits	7,810	—	7,810
Note receivable	3,225	—	3,225
Restricted investments	12,420	—	12,420
Other assets	570	—	570
<b>Total Assets</b>	<b>\$ 1,298,736</b>	<b>\$ 20,423</b>	<b>\$ 1,319,159</b>
<b>Liabilities</b>			
Accounts payable	\$ 57,273	\$ —	\$ 57,273
Due to other OCTA funds	15,450	—	15,450
Due to other governments	12,387	—	12,387
Unearned revenue	319	—	319
Other liabilities	17	—	17
Advance from other OCTA funds	618	—	618
<b>Total Liabilities</b>	<b>86,064</b>	<b>—</b>	<b>86,064</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - grant reimbursements	15,219	—	15,219
Unavailable revenue - reimbursements from others	4,877	2,130	7,007
<b>Total Deferred Inflows of Resources</b>	<b>20,096</b>	<b>2,130</b>	<b>22,226</b>
<b>Fund Balances</b>			
Nonspendable:			
Condemnation deposits	7,810	—	7,810
Other assets - prepaids	570	—	570
Restricted for:			
Debt service	—	18,293	18,293
Environmental Mitigation Program	12,420	—	12,420
Transportation projects	1,171,776	—	1,171,776
<b>Total Fund Balances</b>	<b>1,192,576</b>	<b>18,293</b>	<b>1,210,869</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,298,736</b>	<b>\$ 20,423</b>	<b>\$ 1,319,159</b>

See accompanying notes to the financial statements.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2020**

*(amounts expressed in thousands)*

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Amounts reported for governmental activities in the Statement of Net Position (page 10) are different because:

<b>Total fund balances (page 12)</b>		<b>\$ 1,210,869</b>
Assets held for resale are not financial resources and, therefore, are not reported in the funds.		10,476
Earned but unavailable revenue is not available to liquidate current liabilities and, therefore, is reported as a deferred inflow of resources in the funds.		22,226
Interest payable on bonds outstanding is not due and payable in the current period and, therefore, is not reported in the funds.		(13,366)
Deferred outflows of resources related to deferred charge on refunding are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		1,430
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$ (626,690)	
Plus unamortized bond issuance premium	(65,120)	<u>(691,810)</u>
<b>Net position of governmental activities (page 10)</b>		<b><u><u>\$ 539,825</u></u></b>

See accompanying notes to the financial statements.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2020**

<i>(amounts expressed in thousands)</i>		<b>LTA Debt</b>	
		<b>LTA</b>	<b>Service      Total OCLTA</b>
<b>Revenues</b>			
Sales taxes	\$	317,964	\$ — \$ 317,964
Contributions from other agencies		80,181	— 80,181
Contributions from other OCTA funds		15,174	— 15,174
Interest		47,922	3,819 51,741
Miscellaneous		1,167	— 1,167
<b>Total Revenues</b>		<b>462,408</b>	<b>3,819 466,227</b>
<b>Expenditures</b>			
Current:			
General government:			
Supplies and services		83,941	— 83,941
Transportation:			
Contributions to other local agencies		93,577	— 93,577
Contributions to other OCTA funds		61,103	— 61,103
Capital outlay		276,139	— 276,139
Debt service:			
Principal payments on long-term debt		—	8,530 8,530
Interest		22	35,593 35,615
<b>Total Expenditures</b>		<b>514,782</b>	<b>44,123 558,905</b>
<b>Deficiency of revenues</b>			
<b>under expenditures</b>		<b>(52,374)</b>	<b>(40,304) (92,678)</b>
<b>Other financing sources (uses)</b>			
Transfers in		21,951	44,530 66,481
Transfers out		(44,530)	(21,951) (66,481)
<b>Total other financing sources (uses)</b>		<b>(22,579)</b>	<b>22,579 —</b>
<b>Net change in fund balances</b>		<b>(74,953)</b>	<b>(17,725) (92,678)</b>
Fund balances - beginning		1,267,529	36,018 1,303,547
<b>Fund balances - ending</b>	<b>\$</b>	<b>1,192,576</b>	<b>\$ 18,293 \$ 1,210,869</b>

See accompanying notes to the financial statements.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2020**

*(amounts expressed in thousands)*

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Amounts reported for governmental activities in the Statement of Activities (page 11) are different because:

<b>Net change in fund balances - total governmental funds (page 14)</b>	<b>\$ (92,678)</b>
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The net effect of various miscellaneous transactions involving assets held for resale is to increase net position.	10,105
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(15,290)
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments	\$	8,530	
Change in accrued interest		(446)	
Amortization of premium and deferred charge on refunding		3,685	11,769

<b>Change in net position of governmental activities (page 11)</b>	<b>\$ (86,094)</b>
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See accompanying notes to the financial statements.

**Orange County Local Transportation Authority**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Notes to The Financial Statements**  
**Year Ended June 30, 2020**  
(in thousands)

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

In November 1990, Orange County voters approved the Revised Traffic Improvement and Growth Management Ordinance, known as Measure M. This implemented a one-half of one percent retail transaction and use tax to fund a specific program of transportation improvements in Orange County. The Orange County Local Transportation Authority (OCLTA) is responsible for administering the proceeds of the Measure M sales tax program. The original Measure M Program (M1) commenced on April 1, 1991 for a period of 20 years.

On November 7, 2006, Orange County voters approved the renewal of Measure M for a period of 30 more years from April 1, 2011 to March 31, 2041. Renewed Measure M (M2) allocates funds to freeway, street and road, transit, and environmental improvements.

On June 20, 1991, under the authority of Senate Bill 838, the Orange County Transportation Authority (OCTA) was formed as a special district by merging several agencies and funds, including the OCLTA, a component unit of the OCTA. Accordingly, the OCLTA's financial activities are included with the financial activities of the OCTA for financial reporting purposes.

The OCTA governing board (Board) consists of 17 voting members and one non-voting member and also serves as the OCLTA governing board. Measure M requires that an 11-member Taxpayer's Oversight Committee (TOC) monitor the use of Measure M funds and ensure that all revenues collected from Measure M are spent on voter-approved transportation projects.

These financial statements include only the activities of the OCLTA, a component unit of the OCTA. These financial statements are not intended to present the activities of the OCTA.

**Basis of Presentation**

The OCLTA's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

*Government-wide Statements:* The statement of net position and the statement of activities report information on all of the OCLTA. The effect of significant interfund activity has been removed from these statements. The OCLTA provides only governmental activities which are supported principally by sales taxes.

The statement of activities demonstrates the degree to which the OCLTA Measure M program expenses are offset by program revenues. Program expenses include direct and indirect expenses, which are identifiable with Measure M. Interest expense related to the sales tax revenue bonds is reported as a direct expense of the Measure M program. The borrowings are considered essential to the creation or continuing existence of the Measure M program. For the fiscal year ended June 30, 2020, interest expense of \$32,376 was included in Measure M program costs. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by Measure M; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of the Measure M program. Taxes, investment earnings and other items are not reported as program revenues and instead are reported as general revenues.

Year Ended June 30, 2020  
(in thousands)

*Fund Financial Statements:* The fund financial statements provide information about the OCLTA's governmental funds. The OCLTA considers all of its Measure M funds as major governmental funds. They are comprised of the following:

- *Local Transportation Authority (LTA) Fund* - This special revenue fund accounts for revenues received and expenditures made for the implementation of the Orange County Traffic Improvement and Growth Management Plan. Financing is provided by a one-half percent sales and use tax assessed for 20 years pursuant to Measure M, which became effective April 1, 1991, and was renewed for an additional 30 years from April 1, 2011 to March 31, 2041. The Measure M ordinance requires that sales tax revenues only be expended on projects included in the ordinance. A decision to use the revenues for any other purpose must be put to the voters in another election.
- *LTA Debt Service Fund* - This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the OCLTA.

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the OCLTA considers revenues to be available if they are collected within 90 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt of governmental funds are recorded only when payment is due.

Those revenues susceptible to accrual are sales taxes collected and held by the state at year-end on behalf of the OCLTA, intergovernmental revenues and interest revenue. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the OCLTA; therefore, revenues are recognized based upon the expenditures incurred and availability criteria met. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

### **Cash and Investments**

The OCLTA maintains cash and investments in a pool with other OCTA cash and investments and in accordance with the Investment Policy (Policy) originally adopted by the Board on May 8, 1995, and most recently amended June 10, 2020. The Policy complies with, or is more restrictive than, the California Government Code (Code). Separate investment manager accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. Pooled cash and investment earnings are allocated based on average daily dollar account balances.

Year Ended June 30, 2020  
(in thousands)

OCTA holds investments that are measured at fair value on a recurring basis. OCTA categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs - other than quoted prices included in Level 1 - that are observable including quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active; Level 3 inputs are unobservable inputs.

OCLTA participates in the OCTA comingled investment pool which invests in U.S. government and U.S. agency securities, medium term notes, repurchase agreements, variable and floating rate securities, mortgage and asset-backed securities, and corporate notes which are carried at fair value based on quoted prices of similar assets. In addition, OCLTA invests in money market and mutual funds and participating interest-earning investment contracts with a remaining maturity of one year or less at purchase date, which are carried at amortized cost which approximates fair value.

The Policy requires that assets in the portfolio consist of the following investments, with maximum permissible concentrations based on book value, and may be more restrictive than applicable state statutes for the following investment types: OCTA notes and bonds, U.S. treasuries, federal instrumentality securities, federal agencies, municipal debt, banker's acceptance, commercial paper, negotiable certificates of deposit, repurchase agreements, medium-term maturity corporate securities, money market funds, other mutual funds, mortgage or asset-backed securities, LAIF, OCIP, variable and floating rate securities and bank deposits.

Investment of debt proceeds held by trustees are governed by provisions of the indentures for each obligation, rather than the general provisions of the California Government Code or OCTA's investment policy. The investment of these debt proceeds is in accordance with the Permitted Investments section and applicable account restrictions outlined in the indenture of each debt obligation. Under certain indentures, guaranteed investment contracts are allowed. OCTA's investment in a guaranteed investment contract is carried at fair value.

In addition, OCTA has restricted investments held by the California Community Foundation (CCF). The amount invested in the CCF investment pool is a restricted asset as approved for funding by the OCTA Board of Directors in October of 2014. The CCF is headquartered in Los Angeles, California. The CCF is a community foundation and holds a 501 (c) 3 status, which meets California State Government Code requirements for community foundations. Legislation providing for OCTA to use a qualified organization to hold and manage the endowment is provided in Government Code §§65965-65968. An investment committee is responsible of the foundation's investment pool. The Endowment Pool is a diversified pool invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps the pace with inflation over time. The pool includes a mix of asset classes including equities, alternative investments, real assets, and fixed income. The target asset allocation is approximately 50% equities, 14% alternative investments, 14% real assets and 22% fixed income.

The purpose of the agreement between CCF and OCTA is to provide for the establishment of a fund within the CCF to receive and hold M2 Environmental Mitigation Program contributions made by OCTA during the endowment funding period for use in establishing the permanent endowment pursuant to the conservation plan. OCTA is the beneficiary of the fund and, therefore, has reported a restricted asset in the financial statements.

Year Ended June 30, 2020  
(in thousands)

The CCF shall hold, administer, invest, and reinvest the fund in accordance with the CCF's proposal and the objectives set forth in the Scope of Work of the Request for Proposal, each of which is incorporated into the agreement by reference, and in compliance with all applicable state and federal laws, including, but not limited to, Sections 65965, 65966, 69667, and 65968 of the California Government Code and the Uniform Prudent Management of Institutional Funds Act, California Probate Code Section 18501 et seq. The agreement shall remain in place in full force and effect through December 31, 2029.

The fair value of OCTA's investment in this pool is reported in the accompanying financial statements at amounts based upon OCTA's pro-rata share of the fair value provided by the CCF for the entire CCF portfolio (in relation to the amortized cost of that portfolio).

#### **Due To/From Other OCTA Funds**

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered and transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances are reported as due to/from other funds. Any residual balances outstanding between the Measure M Program governmental activities and other OCTA funds are reported in the government-wide financial statements as due to/from other OCTA funds.

#### **Contributions To/From Other OCTA Funds**

Transfers between OCLTA and other OCTA funds are reported as program expenses and revenues in the statement of activities and as revenues and expenditures in the statement of revenues, expenditures and changes in fund balances.

#### **Administrative Services Costs**

OCTA allocates indirect costs related to administrative services from certain funds to benefiting funds. For fiscal year 2019-20, \$21,964 of administrative services were charged to the OCLTA and are reported as general government expenditures in the statement of revenues, expenditures and changes in fund balances and as program expenses in the statement of activities.

#### **Assets Held for Resale**

OCLTA holds title to property in connection with the purchase of rights-of-way for infrastructure not held by OCLTA. These assets are reported as assets held for resale in the governmental activities column in the government-wide financial statements except in cases in which OCLTA has entered into a sales contract prior to the issuance of the financial statements. In these cases, the assets held for resale are reported in the governmental funds financial statements. Proceeds received will be reimbursed to the fund in which the initial expenditure was recorded.

#### **Capital Assets**

Capital assets including land, right-of-way improvements, and machinery and equipment, are reported in the government-wide financial statements. Capital assets are defined by the OCLTA as assets with an initial, individual cost of more than \$5 and a useful life exceeding one year. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.



Year Ended June 30, 2020  
(in thousands)

Freeway construction and certain purchases of right-of-way property, for which title vests with the California Department of Transportation (Caltrans), are included in capital outlay. Infrastructure consisting primarily of freeway construction and right-of-way acquisition is not recorded as a capital asset in those instances where the OCLTA does not intend to maintain or operate the property when complete.

Right-of-way improvements and machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Useful Life
Right-of-way improvements	10-30 years
Machinery and equipment	3-10 years

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element; deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

OCLTA has one item reported as deferred outflow of resources. This item is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This item is reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. OCLTA has one type of deferred inflow, unavailable revenue which occurs only under a modified accrual basis of accounting. Accordingly, the item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for grant reimbursements and reimbursements from others. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### **Long-Term Debt**

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts in the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Year Ended June 30, 2020  
(in thousands)

### Contributions to Other Agencies

Contributions to other agencies primarily represent sales tax revenues received by the OCLTA and disbursed to cities for competitive projects, the local fair share program, and the senior mobility program, and to other agencies for projects which are in accordance with the Measure M ordinance.

### Net Position

In the government-wide financial statements, net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into three categories:

- *Net investment in capital assets* - This balance reflects the net position of the OCLTA that is invested in capital assets, net of related debt. This net position is generally not accessible for other purposes.
- *Restricted net position* - This balance represents net position that is not accessible for general use because use is subject to restrictions enforceable by third parties. The OCLTA government-wide statement of net position reports net position restricted for debt service, Environmental Mitigation Program and transportation projects funded by the Measure M Program.
- *Unrestricted net position* - This balance represents the net position that is available for general use.

### Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the OCLTA is bound to honor constraints on the specific purposes for which amounts can be spent.

The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact. As of June 30, 2020, OCLTA reported nonspendable balance for condemnation deposits and other assets - prepaids.
- *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. As of June 30, 2020, OCLTA reported restricted fund balance for debt service, Environmental Mitigation Program and transportation projects.
- *Committed* - amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board, as the highest level of decision-making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Board removes or modifies the use through the adoption of a subsequent resolution.

Year Ended June 30, 2020  
(in thousands)

- *Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This classification also includes residual amounts assigned for specific projects. The Board establishes and modifies assignments of fund balance through the adoption of the budget and subsequent budget amendments. The Board retains the authority to assign fund balance.

When both restricted and unrestricted resources are available for use, it is the OCLTA's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, the OCLTA applies the default established by GASB 54, whereby the committed amounts would be reduced first followed by the assigned amounts.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

### Recent Event

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of California issued a statewide shelter-in-place order that continues to have a significant impact on the operations and business results of OCLTA. OCLTA cannot predict the extent and duration of the impact on its activities, including fluctuations in sales tax receipts. The extent to which the coronavirus may impact OCLTA will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

## 2. Cash and Investments

Cash and investments are comprised of the following at June 30, 2020:

Investments:	
With OCTA Commingled Investment Pool	\$ 883,153
With Trustee	325,223
With CA Community Foundation	12,420
Total Cash and Investments	<u>\$ 1,220,796</u>

Total deposits and investments are reported in the financial statements as:

Unrestricted Cash and Investments	\$ 1,208,376
Restricted Cash and Investments	12,420
Total Cash and Investments	<u>\$ 1,220,796</u>

Year Ended June 30, 2020  
(in thousands)

As of June 30, 2020, OCLTA had the following investments:

Investment	Fair Value	Interest Rate	Maturity Range	Weighted Average Maturity (Years)
OCTA Commingled Investment Pool	\$ 883,153	*	*	*
Money Market Funds **	76,481	0.010%-0.070%	7/1/20-7/30/20	0.005
Commercial Paper **	81,842	0.000%	7/7/20-9/14/20	0.070
Guaranteed Investment Contract	166,900	3.010%	4/1/21	0.753
CA Community Foundation Investment Fund	<u>12,420</u>	N/A	N/A	N/A
Total Investments	<u><u>\$1,220,796</u></u>			

\* Refer to the OCTA Comprehensive Annual Financial Report (CAFR) for information related to the OCTA Commingled Investment Pool.

\*\* Money market funds and commercial paper are measured at amortized cost which approximates fair value.

The Portfolio Weighted Average Maturity is 1.750 years.

As of June 30, 2020, OCLTA had \$883,153 invested in the OCTA's Commingled Investment Pool (CIP). Refer to the OCTA's CAFR for details on valuation techniques and fair value hierarchy, interest rate risk, variable rate notes and custodial credit risk. Deposits and withdrawals in OCTA's CIP are made on the basis of \$1.00 (absolute dollars) and not fair value. Accordingly, the OCLTA's investment in OCTA's CIP at June 30, 2020 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

As of June 30, 2020, OCLTA had \$12,420 invested in the CA Community Foundation (CCF) investment fund. The amount invested is valued using significant unobservable inputs and, therefore, classified as Level 3. Unobservable inputs used by CCF include the foundations own assumptions, market comparable rates, capitalization and occupancy rates.

As of June 30, 2020, OCLTA had \$166,900 invested in a guaranteed investment contract. This investment is valued using quoted prices of similar assets and, therefore, classified as Level 2.

### Credit Risk

The Policy sets minimum acceptable credit ratings for investments from any of the three NRSROs: S&P, Moody's, and Fitch. For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F-1 (Fitch), while an issuer of long-term debt shall be rated no less than an "A" by two of the three rating services.

Year Ended June 30, 2020  
(in thousands)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2020. (NR means Not Rated, US means obligation of the United States (U.S.) government or obligations explicitly guaranteed by the U. S. government):

Investments	S&P	Moody's	% of Portfolio
OCTA Commingled Investment Pool	NR	NR	72.34 %
CA Community Foundation	NR	NR	1.02
Held by Trustee:			
Money Market Funds	AAA	Aaa	6.27
Commercial Paper	A-1	P-1	6.70
Guaranteed Investment Contract	A	Aa	13.67
Total			<u>100.00 %</u>

### 3. Due From/To Other Governments

Amounts due from other governments as of June 30, 2020 in the fund financial statements are \$74,200 and are comprised of \$56,092 of sales taxes, \$15,969 of project reimbursements, \$9 for other miscellaneous transactions, and \$2,130 representing the interest receivable on Build America Bonds.

Amounts due to other governments as of June 30, 2020 are \$12,387 and are comprised of \$12,140 for transportation projects and \$247 for other miscellaneous transactions.

### 4. Related Party Transactions and Interfund Transfers

#### Related party transactions:

As of June 30, 2020, OCLTA has \$229 receivable from other OCTA funds for SR-91 Improvement project.

As of June 30, 2020, OCLTA owes \$15,450 to other OCTA funds as follows:

	Amount	Explanation
General Fund	\$ 583	Placentia Rail Station and ARTIC
OCUTT	40	Local Fair Share funds withheld from City of Placentia
General Capital Project	14,786	OC Streetcar project
OCTD	41	Mission Viejo Transit Circle & iShuttle operations
<b>Total</b>	<u>\$ 15,450</u>	

OCTA advanced monies to OCLTA to cover expenditures such as election costs, administrative costs, and accrued interest. Interest accrues monthly at an interest rate representing OCTA's rate of return on short-term investments, adjusted each July (2.13 percent for fiscal year 2019-20). As of June 30, 2020, OCLTA owes OCTA \$618. OCLTA began repaying OCTA when Measure M funds were collected.

Year Ended June 30, 2020  
(in thousands)

#### Contributions from Other OCTA Funds:

During fiscal year 2019-20, OCLTA received \$15,174 from the 91 EL Fund for freeway improvements.

#### Contributions to Other OCTA Funds:

During fiscal year 2019-20, OCLTA made contributions to the following funds:

- \$21 to the General Fund for the Placentia Rail Station.
- \$47,193 to the General Capital Projects Fund for the OC Streetcar project.
- \$379 to the OC Streetcar Fund for the OC Streetcar project.
- \$3,456 to the SAFE Fund for the Freeway Service Patrol project.
- \$10,054 to the OCTD Fund for La Habra service, Irvine Shuttle, Commuter Rail, Fare Stabilization and Senior Mobility Program.

#### Interfund Transfers:

During fiscal year 2019-20, the LTA Fund transferred \$44,530 to the LTA Debt Service Fund for debt service payments. Additionally, the LTA Debt Service Fund transferred \$21,951 in excess interest earnings to the LTA Fund.

## 5. Capital Assets

Capital assets activity for the OCLTA governmental activities for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 21	\$ —	\$ —	\$ 21
Total capital assets, being depreciated	21	—	—	21
Less accumulated depreciation for:				
Machinery and equipment	(21)	—	—	(21)
Total accumulated depreciation	(21)	—	—	(21)
Total capital assets, being depreciated, net	—	—	—	—
Total governmental activities capital assets, net	\$ —	\$ —	\$ —	\$ —

## 6. Long-Term Debt

#### Sales Tax Revenue Bonds

On December 9, 2010, OCLTA issued \$293,540 in Measure M2 Sales Tax Revenue Bonds, 2010 Series A (Taxable Build America Bonds) and \$59,030 in 2010 Series B (Tax-Exempt Bonds), to finance and refinance the costs of certain transportation projects located in Orange County, to restructure the Tax Exempt Commercial Paper (TECP) Program, and to fund capitalized interest and costs of issuance related to the 2010 Series Bonds. A reserve fund is not required in connection with the 2010 Series Bonds per the bond indenture. The transaction closed on

Orange County Local Transportation Authority  
Notes to The Financial Statements

Year Ended June 30, 2020  
(in thousands)

December 23, 2010. A total of \$75,000 was used to refund outstanding TECP. The Measure M sales tax is the source of revenue for repaying this debt.

On February 12, 2019, OCLTA issued \$376,690 in Measure M2 Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2019 (the "Series 2019 Bonds"), i) to refinance costs of certain transportation projects located in Orange County, consisting of the general purpose lanes of the I-405 Improvement Project; ii) to refund and defease \$43,540 of the 2010 Series A Bonds, which resulted in gross cumulative cash flow savings of approximately \$2,867 and net present value cumulative savings of approximately \$2,584; and to fund costs of issuance related to the Series 2019 Bonds. A reserve fund is not required in connection with the Series 2019 Bonds per the bond indenture. The transaction closed on February 26, 2019.

The OCLTA's outstanding debt obligations related to M2 Sales Tax Revenue Bonds contain a provision that in the event of default, bondholders have the right to sue in order to force the OCLTA to cure the event of default, which may result in financial related consequences.

A summary of the bonds outstanding is as follows:

	<b>2010 Series A (Taxable Build America Bonds)</b>		<b>2019 Series B (Tax-Exempt Bonds)</b>		<b>Total</b>
Issuance date	12/9/10		2/12/19		
Original issue amount	\$	293,540	\$	376,690	\$ 670,230
Original issue premium		—		69,342	69,342
<b>Net Bond Proceeds</b>	<b>\$</b>	<b>293,540</b>	<b>\$</b>	<b>446,032</b>	<b>\$ 739,572</b>
Issuance costs	\$	1,905	\$	970	\$ 2,875
Interest rates	5.56%-6.91%		3.00%-5.00%		
Maturity range	2021-2041		2021-2041		
Final maturity	2041		2041		
Bonds outstanding	\$	250,000	\$	376,690	\$ 626,690
Plus unamortized premium		—		65,120	65,120
<b>Total</b>		<b>250,000</b>		<b>441,810</b>	<b>\$ 691,810</b>

Orange County Local Transportation Authority  
Notes to The Financial Statements

Year Ended June 30, 2020  
(in thousands)

Annual debt service requirements on the sales tax revenue bonds as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 8,065	\$ 35,774
2022	8,455	35,371
2023	19,935	34,949
2024	20,920	33,952
2025	21,950	32,906
2026-2030	129,960	144,061
2031-2035	164,000	102,204
2036-2040	206,240	50,223
2041	47,165	2,757
Total	<u>\$ 626,690</u>	<u>\$ 472,197</u>

### Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Measure M program activities:					
Sales tax revenue bonds	\$ 635,220	\$ —	\$ (8,530)	\$ 626,690	\$ 8,065
Unamortized premium	68,874	—	(3,754)	65,120	—
Total Measure M program activities long-term liabilities	<u>\$ 704,094</u>	<u>\$ —</u>	<u>\$ (12,284)</u>	<u>\$ 691,810</u>	<u>\$ 8,065</u>

### Pledged Revenue

OCLTA has debt issuances outstanding that are repaid and secured by the pledging of certain revenues. For the year ended June 30, 2020, debt service payments in relation to the pledged gross revenue net of the local fair share program and other expenses as required by the debt agreement, are indicated in the following table:

Description of Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage
Measure M2 Net Sales Tax Revenue	\$ 252,571	\$ 44,123	5.72

### Line of Credit (Direct Borrowing)

On July 26, 2017, OCTA and the Department of Transportation Build America Bureau Credit Programs Office (Bureau) executed a TIFIA loan of up to \$628,930 for eligible project costs for the I-405 Improvement Project. The Bureau required OCTA to secure a \$900,000 line of credit secured by future M2 debt issuances to be committed at the time of closing on the TIFIA loan. The OCTA Board of Directors selected Bank of America N.A. (BANA) to provide a \$900,000 line



Year Ended June 30, 2020  
(in thousands)

of credit to meet the Bureau's requirement. The line of credit was set up as two separate Credit and Fee Agreements, one with a 2019 maturity in the amount of \$400,000 and the other with a 2021 maturity, also in the amount of \$500,000. The cost for the BANA Line is 26 basis points per year for the 2019 maturity and 36 basis points per year for the 2021 maturity. The two Credit and Fee Agreements were also executed on July 26, 2017. The 2019 maturity terminated in 2019. The cost for the \$500,000 2021 maturity BANA Line of credit was 36 basis points per year with an expiration date of July 16, 2021 however, the agreements were amended, effective June 29, 2020, changing the expiration to June 28, 2021, and reducing the commitment fee from 36 basis points to 34 basis points. There were no amounts drawn on the line of credit as of June 30, 2020. The unused portion of line of credit at June 30, 2020 is \$500,000.

The payment obligations owed to BANA under the Credit and Fee Agreements is payable and secured by a pledge of, lien on, and security interest in the M2 sales tax revenues, including earnings on such amounts, subject only to the provisions of the Master Indenture. The pledge, lien, and security interest shall be junior and subordinate only to the pledge of M2 sales tax revenues in favor of the Senior Lien Debt pursuant to the express terms of the Master Indenture.

## **7. Commitments and Contingencies**

### **Purchase Commitments**

The OCLTA has various long-term outstanding contracts that extend over several years and rely on future years' revenues. Total commitments at June 30, 2020, were \$1,192,069, the majority of which relate to the expansion of Orange County's freeway and road systems.

### **Federal Grants**

The OCLTA receives federal grants for transportation projects and other reimbursable activities which are subject to audit by the grantor agency. Although the outcome of any such audits cannot be predicted, it is management's opinion that these audits would not have a material effect on the OCLTA's financial position or changes in financial position.

## **8. Effect of New Pronouncements**

### **GASB Statement No. 84**

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement was effective for OCLTA's fiscal year ending June 30, 2020, but was postponed by one year per GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. OCLTA has not determined the effect of this Statement.

Year Ended June 30, 2020  
(in thousands)

### **GASB Statement No. 87**

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement was effective for OCLTA's fiscal year ending June 30, 2021, but was postponed by 18 months per GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. OCLTA has not determined the effect of this Statement.

### **GASB Statement No. 90**

In August 2018, GASB issued Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement was effective for OCLTA's fiscal year ending June 30, 2020, but was postponed by one year per GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. OCLTA has not determined the effect of this Statement.

### **GASB Statement No. 91**

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement was effective for OCLTA's fiscal year ending June 30, 2022, but was postponed by one year per GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. OCLTA has not determined the effect of this Statement.

Year Ended June 30, 2020  
(in thousands)

### **GASB Statement No. 92**

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Paragraphs 4, 5, 11 and 13 of this Statement are effective immediately. The remaining paragraphs of this Statement were effective for OCLTA's fiscal year ending June 30, 2021, but were postponed by one year per GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The implementation of paragraphs 4, 5, 11 and 13 of this Statement did not have a material effect on the financial statements. OCLTA has not determined the effect of the remaining paragraphs of this Statement.

### **GASB Statement No. 93**

In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended, (7) providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The requirements of this Statement, except for paragraph 11b, are effective for OCLTA's fiscal year ending June 30, 2021. The requirement in paragraph 11b is effective for OCLTA's fiscal year ending June 30, 2022. GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, postponed the effective date of paragraphs 13 and 14 of this Statement by one year. OCLTA has not determined the effect of this Statement.

### **GASB Statement No. 94**

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement is effective for OCLTA's fiscal year ending June 30, 2023. OCLTA has not determined the effect of this Statement.

### **GASB Statement No. 95**

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for

Year Ended June 30, 2020  
(in thousands)

periods beginning after June 15, 2018, and later. This Statement is effective for OCLTA's fiscal year ending June 30, 2020. The implementation of this Statement did not have a material effect on the financial statements.

#### **GASB Statement No. 96**

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users (governments). This Statement is effective for OCLTA's fiscal year ending June 30, 2023. OCLTA has not determined the effect of this Statement.

#### **GASB Statement No. 97**

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Paragraphs 4 and 5 of this Statement are effective immediately, and the remaining paragraphs of this Statement are effective for OCLTA's fiscal year ending June 30, 2022. The implementation of paragraphs 4 and 5 of this Statement did not have a material effect on the financial statements. OCLTA has not determined the effect of the remaining paragraphs of this Statement.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - LTA Fund (Budgetary Basis)**  
**Year Ended June 30, 2020**

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Sales taxes	\$ 340,940	\$ 340,940	\$ 317,964	\$ (22,976)
Fines	8	8	—	(8)
Contributions from other agencies	137,748	137,748	87,618	(50,130)
Contributions from other OCTA funds	36,410	36,410	15,174	(21,236)
Interest	26,536	26,536	47,922	21,386
Miscellaneous	4,505	4,505	1,167	(3,338)
<b>Total revenues</b>	<b>546,147</b>	<b>546,147</b>	<b>469,845</b>	<b>(76,302)</b>
<b>Expenditures:</b>				
Current:				
General government - supplies and services	178,735	173,827	127,363	46,464
Transportation:				
Contributions to other local agencies	157,610	162,518	93,672	68,846
Contributions to other OCTA funds	40,273	40,273	61,103	(20,830)
Capital outlay	997,712	997,712	804,930	192,782
Debt service:				
Interest	—	—	22	(22)
<b>Total expenditures</b>	<b>1,374,330</b>	<b>1,374,330</b>	<b>1,087,090</b>	<b>287,240</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(828,183)</b>	<b>(828,183)</b>	<b>(617,245)</b>	<b>210,938</b>
<b>Other financing sources (uses):</b>				
Transfers in	19,970	19,970	21,951	1,981
Transfers out	(43,783)	(43,783)	(44,530)	(747)
<b>Total other financing sources (uses)</b>	<b>(23,813)</b>	<b>(23,813)</b>	<b>(22,579)</b>	<b>1,234</b>
<b>Net change in fund balance</b>	<b>\$ (851,996)</b>	<b>\$ (851,996)</b>	<b>\$ (639,824)</b>	<b>\$ 212,172</b>

**Reconciliation to GAAP:**

Net change in fund balance (budgetary basis)	\$ (639,824)
Less: Estimated revenues for encumbrances outstanding at June 30	7,437
Add: Current year encumbrances outstanding at June 30	572,308
	<hr/>
Net change in fund balance (GAAP basis)	<u><u>\$ (74,953)</u></u>

See accompanying notes to the required supplementary information.

**Orange County Local Transportation Authority**  
**(A Component Unit of the Orange County Transportation Authority)**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2020**  
(in thousands)

**1. Budgetary Data**

The OCLTA establishes accounting control through formal adoption of an annual operating budget for the LTA and the debt service governmental funds. The budget is prepared in conformity with accounting principles generally accepted in the United States (GAAP) except for multi-year contracts, for which the entire amount of the contract is budgeted and encumbered in the year of execution. The adopted budget can be amended by the Board to increase both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Division heads are authorized to approve appropriation transfers within major objects subject to approval by the Finance and Administration Division. Major objects are defined as Salaries and Benefits, Supplies and Services and Capital Outlay. Supplies and Services includes Contributions to Other Local Agencies, Debt Service and Transfers. Appropriation transfers between major objects require approval of the Board. Accordingly, the legal level of budgetary control, that is the level that expenditures cannot exceed appropriations, for budgeted funds, is at the major object level for the budgeted governmental funds. A Fourth Quarter Budget Status Report, June 2020 is available from the OCTA Finance and Administration Division. With the exception of accounts which have been encumbered, appropriations lapse at year end.

**Excess Expenditures Over Appropriations**

Expenditures exceeded over appropriations for contribution to other OCTA funds in the amount of \$20,830 due to interfund transfers pertaining to carry over budget from encumbered contracts related to OC Streetcar project.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
(A Component Unit of the Orange County Transportation Authority)  
Other Supplementary Information  
Budgetary Comparison Schedule - LTA Debt Service Fund (Budgetary Basis)  
Year Ended June 30, 2020

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest	\$ 6,010	\$ 6,010	\$ 3,819	\$ (2,191)
<b>Total revenues</b>	<b>6,010</b>	<b>6,010</b>	<b>3,819</b>	<b>(2,191)</b>
<b>Expenditures:</b>				
Debt service:				
Principal payments on long-term debt	8,530	8,530	8,530	—
Interest on long-term debt	35,593	35,593	35,593	—
<b>Total expenditures</b>	<b>44,123</b>	<b>44,123</b>	<b>44,123</b>	<b>—</b>
<b>Deficiency of revenues under expenditures</b>	<b>(38,113)</b>	<b>(38,113)</b>	<b>(40,304)</b>	<b>(2,191)</b>
<b>Other financing sources:</b>				
Transfers in	43,783	43,783	44,530	747
Transfers out	(5,670)	(5,670)	(21,951)	(16,281)
<b>Total other financing sources</b>	<b>38,113</b>	<b>38,113</b>	<b>22,579</b>	<b>(15,534)</b>
<b>Net change in fund balance</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (17,725)</b>	<b>\$ (17,725)</b>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Orange County Local Transportation Authority  
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Orange County Local Transportation Authority (OCLTA), a component unit of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise OCLTA's basic financial statements, and have issued our report thereon dated November 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OCLTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCLTA's internal control. Accordingly, we do not express an opinion on the effectiveness of OCLTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OCLTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Costa Mesa, California  
November 16, 2020

**ORANGE COUNTY  
TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND**

**FINANCIAL STATEMENTS**

Year ended June 30, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND

FINANCIAL STATEMENTS  
JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Orange County Transportation Authority  
Orange, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Fund (LTF), a special revenue fund of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2020, and the related notes to financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the LTF, of OCTA, as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the LTF and do not purport to, and do not, present fairly the financial position of OCTA, as of June 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matter**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of disbursements is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of disbursements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of disbursements is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020 on our consideration of OCTA's internal control over financial reporting, as it relates to the LTF, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OCTA's internal control over financial reporting or on compliance, as it relates to the LTF. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OCTA's internal control over financial reporting and compliance, as it relates to the LTF.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California  
November 16, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
BALANCE SHEET  
June 30, 2020

---

**ASSETS**

Cash and investments	\$ 11,785,644
Interest receivable	15,644
Due from other governments (Note 3)	<u>28,792,184</u>
 Total assets	 <u><u>\$ 40,593,472</u></u>

**LIABILITIES**

Due to other governments (Note 4)	\$ 162,301
Due to other OCTA funds (Note 5)	<u>11,280,709</u>
Total liabilities	11,443,010

**FUND BALANCE**

Restricted for transportation programs	<u>29,150,462</u>
 Total liabilities and fund balance	 <u><u>\$ 40,593,472</u></u>

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See accompanying notes to financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
For the year ended June 30, 2020

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**REVENUES**

Local transportation sales tax allocations	\$ 165,146,028
Investment income	<u>141,033</u>
Total revenues	165,287,061

**EXPENDITURES**

Current:	
Supplies and services	1,802,362
Contributions to other agencies	<u>2,372,115</u>
Total expenditures	<u>4,174,477</u>

Excess of revenues over expenditures	161,112,584
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**OTHER FINANCING USES**

Transfers to other OCTA funds (Note 6)	<u>(164,917,659)</u>
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Net change in fund balance	(3,805,075)
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Fund balance, beginning of year	<u>32,955,537</u>
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<b>Fund balance, end of year</b>	<b><u><u>\$ 29,150,462</u></u></b>
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See accompanying notes to financial statements.



ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 1 – REPORTING ENTITY**

The Local Transportation Fund (LTF) is a special revenue fund of the Orange County Transportation Authority (OCTA). The LTF financial statements do not purport to, and do not, present fairly the financial position of OCTA, as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. This fund is used to account for revenues received and expenditures made for certain transit projects within Orange County.

The LTF was created by the Transportation Development Act (TDA) for specific transportation purposes. Revenues to the LTF are derived from a ¼ cent state sales and use tax. The ¼ cent is returned by the California Department of Tax and Fee Administration (CDTFA) to each county according to the amount of tax collected in that county.

The Orange County Transit District (OCTD) of OCTA is a transit operator and OCTA is the regional Transportation Planning Agency (TPA) for the County of Orange, California (County). Annually, the TPA determines each area's apportionment of LTF revenues. Generally, County LTF revenues are apportioned by population. Where there is a transit operator, separate apportionments are made to areas within and outside the district. Once funds are apportioned, they are only available for allocation to claimants in that area. Payments from the LTF are made by the County Auditor-Controller in accordance with allocation instructions issued by OCTA.

Article 3 of the TDA stipulates that, based on the County's population of more than 500,000, OCTA is eligible to receive LTF revenues solely for claims for the following, which are allocated in specific priority order: administration, planning and programming; Section 99234 of Article 3, which are claims for pedestrian and bicycle facilities; Article 4, which are for general transit operations and services; and Article 4.5, which are claims for community transit services.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the LTF are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for governmental units.

Fund Accounting: The LTF activities and transactions are recorded and accounted for in a special revenue fund of OCTA. Special revenue funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds. The LTF accounts for revenues received and expenditures made for certain transit projects within Orange County. Financing is generated from a ¼ cent state sales and use tax pursuant to the TDA. Expenditures of these monies must be made in accordance with TDA provisions. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting: The LTF financial statements have been prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Measurable means that amounts can be estimated or otherwise determined. Available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. Revenues are considered available if they are collected within 90 days of year end. Amounts not collected within the availability period are classified as deferred inflows of resources – unavailable revenue. Expenditures are recorded when the liability is incurred. Liabilities are considered current when they are expected to be liquidated with available financial resources.

Cash and Investments: The LTF maintains its deposits in the Orange County Investment Pool (OCIP), as required by State statute. Oversight of the OCIP is performed by the Orange County Treasury Oversight Committee. The fair value of the LTF's investment in this pool is reported in the accompanying financial statements at amounts based upon the LTF's pro-rata share of the fair value provided by OCIP for the entire OCIP portfolio (in relation to the amortized cost of that portfolio). Deposits and withdrawals are made on the basis of \$1.00 (absolute dollars) and not fair value. Investment income earned by the pooled cash and investments in the OCIP is allocated based on average cash and investment balance. The OCIP is not rated.

For information on cash and investment disclosures relating to LTF's deposits in the OCIP, please see OCTA's Comprehensive Annual Financial Report.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Fund Balance: The LTF classifies fund balance based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Fund balance for the year ended June 30, 2020 consists of the following:

*Restricted* – Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation. For the LTF, amounts are restricted pursuant to the TDA.

When funds of different classifications are available for the same purpose, the spending priority is to spend restricted resources before unrestricted resources, and within the unrestricted category, committed followed by assigned fund balance.

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

Due from other governments of \$28,792,184 represents a TDA receivable due from the State of California.

**NOTE 4 – DUE TO OTHER GOVERNMENTS**

Due to other governments of \$162,301 represents amounts due to other agencies for use in transit projects.

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(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 5 – DUE TO OTHER OCTA FUNDS**

Due to other OCTA funds as of June 30, 2020 consisted of the following:

OCTD for transit operations	\$ 11,023,245
OCTA for planning and administration	<u>257,464</u>
	<u>\$ 11,280,709</u>

**NOTE 6 – TRANSFERS**

Transfers to other OCTA funds during the fiscal year ended June 30, 2020 consisted of the following:

OCTD for transit operations	\$ 161,006,227
OCTA for planning and administration	<u>3,911,432</u>
	<u>\$ 164,917,659</u>

**NOTE 7 – RECENT EVENT**

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of California issued a statewide shelter-in-place order that continues to have a significant impact on the operations and business results of OCTA. OCTA cannot predict the extent and duration of the impact on its activities, including fluctuations in sales tax receipts from the LTF. The extent to which the coronavirus may impact the LTF will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

## **REQUIRED SUPPLEMENTARY INFORMATION**

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS)  
For the year ended June 30, 2020

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local transportation sales				
tax allocations	\$ 176,672,584	\$ 176,672,584	\$ 165,146,028	\$ (11,526,556)
Investment income	46,240	46,240	141,033	94,793
Total revenues	<u>176,718,824</u>	<u>176,718,824</u>	<u>165,287,061</u>	<u>(11,431,763)</u>
<b>EXPENDITURES</b>				
Current:				
Supplies and services	2,267,269	2,267,269	1,802,362	464,907
Contributions to other local agencies	<u>2,472,930</u>	<u>2,472,930</u>	<u>2,372,115</u>	<u>100,815</u>
Total expenditures	4,740,199	4,740,199	4,174,477	565,722
Excess of revenues over expenditures	171,978,625	171,978,625	161,112,584	(10,866,041)
<b>OTHER FINANCING USES</b>				
Transfers to other OCTA funds	<u>(171,978,625)</u>	<u>(171,978,625)</u>	<u>(164,917,659)</u>	<u>7,060,966</u>
Net change in fund balance	-	-	(3,805,075)	(3,805,075)
Fund balance, beginning of year	<u>32,955,537</u>	<u>32,955,537</u>	<u>32,955,537</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 32,955,537</u></u>	<u><u>\$ 32,955,537</u></u>	<u><u>\$ 29,150,462</u></u>	<u><u>\$ (3,805,075)</u></u>

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ORANGE COUNTY TRANSPORTATION AUTHORITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the year ended June 30, 2020

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**NOTE 1 – BUDGETARY DATA**

The LTF maintains accounting control through formal adoption of an annual operating budget. The operating budget is prepared in conformity with accounting principles generally accepted in the United States, except for multi-year contracts, for which the entire amount of the contract is budgeted and encumbered in the year of execution. The adopted budget may be amended by the OCTA Board of Directors (Board) to increase appropriations and estimated revenues as unforeseen circumstances come to management's attention. Budgeted expenditure amounts represent original appropriations, adjusted for supplemental appropriations, during the year. OCTA division heads are authorized to approve appropriation transfers within major objects subject to approval by the Finance and Administration Division. Major objects are defined as: Salaries and Benefits, Supplies and Services, and Capital Outlay. Supplies and Services include Contributions to Other Local Agencies, Debt Service and Transfers. Appropriation transfers between major objects require approval of the Board. Accordingly, the legal level of budgetary control, that is the level that expenditures cannot exceed appropriations, is at the major object level. With the exception of amounts that have been encumbered, appropriations lapse at year end.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
LOCAL TRANSPORTATION FUND  
SCHEDULE OF DISBURSEMENTS  
For the year ended June 30, 2020

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<u>Claimant</u>	Article 3 <u>Administration</u>	Article 3 <u>Planning</u>	Article 4 Operating and <u>Capital</u>	Article 4.5 Paratransit Operating and <u>Capital</u>	<u>Total</u>
City of Laguna Beach	\$ -	\$ -	\$ 1,114,503	\$ -	\$ 1,114,503
County of Orange	2,939	-	-	-	2,939
Orange County Transit District	-	-	152,900,190	8,106,037	161,006,227
Orange County Transportation Authority	147,412	3,764,020	-	-	3,911,432
Southern California Association of Governments	-	1,254,673	-	-	1,254,673
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	\$ 150,351	\$ 5,018,693	\$ 154,014,693	\$ 8,106,037	\$ 167,289,774
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Orange County Transportation Authority  
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Local Transportation Fund (LTF), a special revenue fund of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the LTF's financial statements, and have issued our report thereon dated November 16, 2020. As discussed in Note 1, the financial statements present only the LTF and do not purport to, and do not, present fairly the financial position of OCTA, the changes in its financial position, or where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OCTA's internal control over financial reporting and compliance (internal control), as it relates to the LTF, as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCTA's internal control, as it relates to the LTF. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control, as it relates to the LTF.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LTF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Costa Mesa, California  
November 16, 2020

**ORANGE COUNTY  
TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND**

**FINANCIAL STATEMENTS**

Year ended June 30, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND

FINANCIAL STATEMENTS  
JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Orange County Transportation Authority  
Orange, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the State Transit Assistance Fund (STAF), a special revenue fund of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2020, and the related notes to financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(Continued)

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the STAF, of OCTA, as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the STAF and do not purport to, and do not, present fairly the financial position of OCTA, as of June 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matter**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020 on our consideration of OCTA's internal control over financial reporting, as it relates to the STAF, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OCTA's internal control over financial reporting or on compliance, as it relates to the STAF. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OCTA's internal control over financial reporting and compliance, as it relates to the STAF.



Crowe LLP

Costa Mesa, California  
November 16, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
BALANCE SHEET  
June 30, 2020

---

**ASSETS**

Cash and investments	\$ 104,567
Interest receivable	6,150
Due from other governments (Note 3)	<u>10,055,938</u>
Total assets	<u>\$ 10,166,655</u>

**LIABILITIES**

Due to other OCTA funds (Note 4)	\$ 10,055,938
Due to other governments	<u>208</u>
Total liabilities	10,056,146

**FUND BALANCE**

Restricted for transportation programs	<u>110,509</u>
Total liabilities and fund balance	<u>\$ 10,166,655</u>

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See accompanying notes to financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
For the year ended June 30, 2020

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**REVENUES**

State transit assistance sales tax allocations	\$ 35,822,732
Transportation improvement fee	5,822,594
Interest and investment income	<u>24,777</u>
Total revenues	41,670,103

**EXPENDITURES**

Current:	
Supplies and services	<u>910</u>

Excess of revenues over expenditures	41,669,193
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**OTHER FINANCING USES**

Transfers to other OCTA funds (Note 5)	<u>(41,645,326)</u>
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Net change in fund balance	23,867
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Fund balance, beginning of year	<u>86,642</u>
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<b>Fund balance, end of year</b>	<b><u>\$ 110,509</u></b>
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See accompanying notes to financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 1 – REPORTING ENTITY**

The State Transit Assistance Fund (STAF) is a special revenue fund of the Orange County Transportation Authority (OCTA). The STAF financial statements do not purport to, and do not, present fairly the financial position of OCTA, as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. This fund is used to account for State Transit Assistance (STA) funds transferred to the Orange County Transit District (OCTD) for operations and fare assistance for seniors and disabled persons.

The STA funds provide a second source of Transportation Development Act (TDA) funding for transportation planning and mass transportation purposes as specified by the State of California Legislature. Funds for the program are derived from sales taxes on gasoline and use taxes on diesel fuel. The Road Repair and Accountability Act of 2017 signed into law April 2017, provided additional funding to existing programs as well as created new programs. STA revenues are then distributed based on several demographic factors.

The STA funds are allocated through an appropriation to the State Controller by the Legislature for allocation by formula to each Transportation Planning Agency (TPA). OCTA serves as the regional TPA for the County of Orange, California (County). The formula allocates 50 percent of the funds according to population and the remaining 50 percent according to operator revenues from the prior fiscal year. The allocations are based on the operator's share of revenues compared to all of the other operators in the State. The STA allocations are deposited in the OCTA's STAF, which is maintained by the Auditor-Controller of the County. The allocation to OCTA's STA funds must be made in a resolution adopted by OCTA's governing board. Payments from the STAF are made by the County Auditor-Controller in accordance with the allocation instructions in the allocation resolution.

The STA funds may not be allocated to fund administration or streets and roads projects. Operators receiving the STA funds must meet qualifying criteria based on the subsidy per revenue vehicle hour received in the previous year, taking into consideration the change in the Consumer Price Index within the operator's region.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the STAF are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for governmental units.

**Fund Accounting:** The STAF activities and transactions are recorded and accounted for in a special revenue fund of the OCTA. This fund is used to account for funds transferred to OCTD transit for operations and fare assistance for senior and disabled persons. Funding is provided by sales taxes on gasoline and use taxes on diesel fuel. Expenditure of these funds is governed by the provisions of the TDA. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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(Continued)



ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting: The STAF financial statements have been prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are accrued when they become both measurable and available. Measurable means that amounts can be estimated or otherwise determined. Available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. Revenues are considered available if they are collected by the County Auditor-Controller within 90 days of year end. Amounts not collected within the availability period are classified as deferred inflows of resources – unavailable revenue. Expenditures are recorded when the liability is incurred. Liabilities are considered current when they are expected to be liquidated with available financial resources.

Cash and Investments: The STAF maintains its deposits in the Orange County Investment Pool (OCIP), as required by State statute. Oversight of the OCIP is performed by the Orange County Treasury Oversight Committee. The fair value of the STAF's investment in this pool is reported in the accompanying financial statements at amounts based upon the STAF's pro-rata share of the fair value provided by OCIP for the entire OCIP portfolio (in relation to the amortized cost of that portfolio). Deposits and withdrawals are made on the basis of \$1.00 (absolute dollars) and not fair value. Investment income earned by the pooled cash and investments in the OCIP is allocated based on average cash and investment balance. The OCIP is not rated.

For information on cash and investment disclosures relating to STAF's deposits in the OCIP, please see OCTA's Comprehensive Annual Financial Report.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Fund Balance: The STAF classifies fund balance based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Fund balance for the year ended June 30, 2020 consists of the following:

*Restricted* – Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation. For the STAF, amounts are restricted pursuant to the TDA.

When funds of different classifications are available for the same purpose, the spending priority is to spend restricted resources before unrestricted resources, and within the unrestricted category, committed followed by assigned fund balance.

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

Due from other governments of \$10,055,938 represents a TDA receivable due from the State of California.

**NOTE 4 – DUE TO OTHER OCTA FUNDS**

Due to other OCTA funds of \$10,055,938 represents a TDA payable due to OCTD.

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(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 5 – TRANSFERS TO OTHER OCTA FUNDS**

Transfers to OCTD of \$41,645,326 for the year ended June 30, 2020 were for the purpose of funding transit operations.

**NOTE 6 – RECENT EVENT**

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of California issued a statewide shelter-in-place order that continues to have a significant impact on the operations and business results of OCTA. OCTA cannot predict the extent and duration of the impact on its activities, including fluctuations in sales tax receipts and transportation improvement fees from the STAF. The extent to which the coronavirus may impact the STAF will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

## **SUPPLEMENTARY INFORMATION**

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS)  
For the year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
State transit assistance sales				
tax allocations	\$ 41,059,475	\$ 41,059,475	\$ 35,822,732	\$ (5,236,743)
Transportation improvement fee	5,720,119	5,720,119	5,822,594	102,475
Interest and investment income	1,113	1,113	24,777	23,664
Total revenues	<u>46,780,707</u>	<u>46,780,707</u>	<u>41,670,103</u>	<u>(5,110,604)</u>
<b>EXPENDITURES</b>				
Supplies and services	<u>-</u>	<u>-</u>	<u>910</u>	<u>(910)</u>
Excess of revenues over expenditures	46,780,707	46,780,707	41,669,193	(5,111,514)
<b>OTHER FINANCING USES</b>				
Transfers to other OCTA funds	<u>(46,780,707)</u>	<u>(46,780,707)</u>	<u>(41,645,326)</u>	<u>5,135,381</u>
Net change in fund balance	-	-	23,867	23,867
Fund balance, beginning of year	<u>86,642</u>	<u>86,642</u>	<u>86,642</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 86,642</u>	<u>\$ 86,642</u>	<u>\$ 110,509</u>	<u>\$ 23,867</u>

ORANGE COUNTY TRANSPORTATION AUTHORITY  
STATE TRANSIT ASSISTANCE FUND  
NOTES TO SUPPLEMENTARY INFORMATION  
For the year ended June 30, 2020

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**NOTE 1 – BUDGETARY DATA**

The STAF maintains accounting control through formal adoption of an annual operating budget. The operating budget is prepared in conformity with accounting principles generally accepted in the United States, except for multi-year contracts, for which the entire amount of the contract is budgeted and encumbered in the year of execution. The adopted budget may be amended by the OCTA Board of Directors (Board) to increase appropriations and estimated revenues as unforeseen circumstances come to management's attention. Budgeted expenditure amounts represent original appropriations, adjusted for supplemental appropriations, during the year. OCTA division heads are authorized to approve appropriation transfers within major objects subject to approval by the Finance and Administration Division. Major objects are defined as: Salaries and Benefits, Supplies and Services, and Capital Outlay. Supplies and Services include Contributions to Other Local Agencies, Debt Service and Transfers. Appropriation transfers between major objects require approval of the Board. Accordingly, the legal level of budgetary control, that is the level that expenditures cannot exceed appropriations, is at the major object level. With the exception of amounts that have been encumbered, appropriations lapse at year end.

Expenditures exceeded appropriations for Supplies and Services in the amount of \$910. This was a result of investment services.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Orange County Transportation Authority  
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the State Transit Assistance Fund (STAF), a special revenue fund of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the STAF's financial statements, and have issued our report thereon dated November 16, 2020. As discussed in Note 1, the financial statements present only the STAF and do not purport to, and do not, present fairly the financial position of OCTA, the changes in its financial position, or where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OCTA's internal control over financial reporting and compliance (internal control), as it relates to the STAF, as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCTA's internal control, as it relates to the STAF. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control, as it relates to the STAF.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the STAF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Costa Mesa, California  
November 16, 2020

**ORANGE COUNTY  
TRANSPORTATION AUTHORITY**

**INDEPENDENT AUDITOR'S REPORT ON  
PROPOSITION 1B SCHEDULE OF UNSPENT  
FUNDS AND CASH DISBURSEMENTS**  
Year ended June 30, 2020



ORANGE COUNTY TRANSPORTATION AUTHORITY  
Orange, California

PROPOSITION 1B SCHEDULE  
Year ended June 30, 2020

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SCHEDULE OF UNSPENT FUNDS AND CASH DISBURSEMENTS .....	2

**INDEPENDENT AUDITOR'S REPORT ON PROPOSITION 1B SCHEDULE  
OF UNSPENT FUNDS AND CASH DISBURSEMENTS**

Board of Directors  
Orange County Transportation Authority  
Orange, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Transportation Authority (OCTA), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements. We issued our report thereon dated November 16, 2020 which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Proposition 1B Schedule of Unspent Funds and Cash Disbursements is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Costa Mesa, California  
November 16, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
PROPOSITION 1B SCHEDULE OF UNSPENT FUNDS AND CASH DISBURSEMENTS  
Year ended June 30, 2020

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	<u>PTMISEA (1)</u>
Unspent Prop 1B funds as of July 1, 2019	\$ 6,597,307
Prop 1B funds received	-
Interest revenue earned on unspent Prop 1B funds	100,164
Prop 1B disbursements spent	<u>(5,200,621)</u>
Unspent Prop 1B funds as of June 30, 2020	<u>\$ 1,496,850</u>

(1) Public transportation, modernization, improvement, and service enhancement account



Crowe LLP  
Independent Member Crowe Global

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Attachment A on the Measure M2 Status Report of the Authority. The Orange County Local Transportation Authority ("OCLTA" or "Authority") and the Taxpayers' Oversight Committee of the Authority ("TOC") (the specified parties) are responsible for the Measure M2 Status Report.


The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and the associated findings are contained in Attachment A.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Measure M2 Status Report. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and the TOC and is not intended to be, and should not be, used by anyone other than the specified parties.

  
Crowe LLP

Costa Mesa, California  
December 8, 2020

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS  
Year ended June 30, 2020

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The procedures and associated findings are as follows:

The Measure M2 Status Report is separated into three sections: Section A describes the procedures applied to Schedule 1; Section B describes the procedures applied to Schedule 2; and Section C describes the procedures applied to Schedule 3. All amounts are reported in thousands.

A. We obtained Schedule 1 and performed the following procedures:

1. Compared year to date June 30, 2020 amounts (Column A) to the audited trial balances of the OCLTA Special Revenue Fund (Fund 17) and the OCLTA Debt Service Fund (Fund 72) and additional detailed information from the underlying accounting records.
2. Compared Period from Inception through June 30, 2020 amounts (Column B) by adding the prior year's Period from Inception through June 30, 2019 amounts with year to date June 30, 2020 amounts (Column A).
3. Re-computed totals and subtotals.

B. We obtained Schedule 2 and performed the following procedures:

1. Compared year ended June 30, 2020 (Columns C.1 and C.2) to Schedule 1, Column A. For professional services, non-project related amounts, we compared the sum of this caption allocated to Revenues and to Bond Revenues at June 30, 2019 (C.1 and C.2) to Schedule 1, Column A. For Environmental Cleanup, we agreed this amount to the project job ledger.
2. Compared Period from Inception through June 30, 2020 amounts (Columns D.1 and D.2) to Schedule 1, Column B. For professional services, non-project related, and other non-project related amounts, we compared the total of the amounts allocated to Revenues and to Bond Revenues at June 30, 2020 (D.1 and D.2) to Schedule 1, Column B. For Environmental Cleanup, we agreed this amount to the project job ledger.
3. Compared forecast amounts (Column E.1 and E.2) to Measure M2 Forecast Model Schedule.
4. Re-computed totals and subtotals.

C. We obtained Schedule 3 and performed the following procedures:

1. Compared Net Revenues through June 30, 2020 (Column H) and total net revenues (Column I) amounts to Schedule 2, Column D.1 and Column F.1, Net Revenues (Totals), respectively.
2. Recalculated Net Revenues through June 30, 2020 (Column H) and Total Net Revenues (Column I) amounts, by mode and project description, based on the Measure M2 Transportation Investment Plan (Investment Plan).
3. Reconciled Expenditures through June 30, 2020 (Column J) to Schedule 1, Column B. Agreed Environmental Cleanup to Schedule 2, Column D.1. Agreed Oversight and Annual Audits to the summary of Measure M2 administrative costs through June 30, 2020. Agreed Column J, by project description, to the project job ledger by fiscal year.

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(Continued)

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS  
Year ended June 30, 2020

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4. Selected a sample of 40 expenditures from Column J and compared them to invoices and supporting documentation to determine whether the sampled expenditures were properly accrued and classified.
5. Agreed Reimbursements through June 30, 2020 (Column K) to Schedule 1, Column B. Agreed Oversight and Annual Audits line item to summary of Measure M2 administrative costs through June 30, 2020.
6. Agreed Column K to the supporting revenue summary by project and fiscal year. Selected a sample of 40 reimbursements from Column K and agreed them to supporting invoices and remittance advices to determine whether the sampled reimbursements were properly calculated.
7. Recalculated the net M2 cost (Column L) by subtracting Column K from Column J.
8. Recalculated revenues through June 30, 2020 (Column H.1) and the Total Revenues (Column I.1) for Environmental Cleanup (2% of revenues) and Oversight and Annual Audits (1% of revenues) by multiplying sales taxes and operating interest per Schedule 2, Column D.1 and Column F.1 by 2% and 1%, respectively.
9. Recalculated Revenues through June 30, 2020 (Column H.1) and Total Revenues (Column I.1) for Collect Sales Taxes (1.5% of sales taxes) by multiplying Sales Taxes per Schedule 2, Column D.1 and Column F.1 by 1.5%.
10. Re-computed total and subtotals.

Results: No exceptions were found as a result of these procedures.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
WITH RESPECT TO THE TREASURY DEPARTMENT**

Year ended June 30, 2020

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Orange County Transportation Authority  
Orange, California

We have performed the procedures enumerated below related to the investment policies, procedures and selected activities of the Orange County Transportation Authority ("OCTA" or "the Authority") for the fiscal year ended June 30, 2020. OCTA's management is responsible for the investment policies, procedures and selected activities of the Authority.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures that we performed and our findings are included in Appendix A.

We were engaged by OCTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the investment policies, procedures and selected activities of the Authority. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of OCTA's Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

  
Crowe LLP

Costa Mesa, California  
October 29, 2020

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ORANGE COUNTY TRANSPORTATION AUTHORITY  
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS  
Year ended June 30, 2020

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The procedures performed and associated results are as follows:

1. We conducted inquiries of personnel involved in the Treasury Department operations, obtained the Debt and Investment Management Manual and observed the procedures performed to determine whether the procedures provided for:
  - a. Transactions that are clearly documented and readily available for examination;
  - b. Transactions that are promptly recorded and properly classified;
  - c. Transactions that are authorized and executed only by persons acting within the scope of their authority;
  - d. Segregation of key duties and responsibilities in authorizing, processing, recording and reviewing;
  - e. Supervision to ensure that internal control objectives are achieved;
  - f. Limiting access to resources and records to authorized individuals and ensuring accounting for custody of resources; and
  - g. Periodic reconciliation of investments between the custodian statements and the general ledger.

Finding: No exceptions were noted as a result of this procedure. We observed the procedures performed to determine whether the procedures provided for items a.-g. by observing documented procedures in the Investment Management Manual (Manual) and determining the attributes above were provided for in the Manual.

2. We compared the Investment Policies dated June 10, 2019 and June 10, 2020 to California Government Code Section 53601 to determine compliance.

Finding: No exceptions were noted as a result of this procedure.

3. We observed system related controls to determine they were in place to appropriately limit access to cash and investment information.

Finding: We observed system related controls surrounding the Clearwater system and no exceptions were noted as a result of this procedure. Specifically, we observed that access to the system was password protected and that the user access listing was restricted to those individuals requiring access for their job duties.

4. We determined that the Investment Policy was provided to external investment managers on an annual basis. In addition, we determined whether each investment manager certified receipt of the Investment Policy with a statement agreeing to abide by its terms.

Finding: No exceptions were noted as a result of this procedure.

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(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY  
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS  
Year ended June 30, 2020

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5. We sampled three monthly Treasury/Public Finance Department Reports on OCTA Investment and Debt Programs presented to the Finance and Administration Committee to determine whether they were provided in accordance with the Debt and Investment Management Manual (Section 2, Part C, Treasury/Public Finance Department, and Investment Reporting).

Finding: No exceptions were noted as a result of this procedure.

6. We selected a sample of four authorization letters (and changes to them) to investment managers, brokers, banks and custodians to determine that they were jointly authorized in writing by the Treasurer and another individual authorized by the Debt and Investment Management Manual. In addition, we inspected the letters for existence of the following attributes:
- a. OCTA staff authorized to make investments;
  - b. Custody instructions; and
  - c. Instructions for money and security transfers.

Finding: No exceptions were noted as a result of this procedure.

7. We selected a sample of 60 investment purchases during the fiscal year ended June 30, 2020 to determine that:
- a. The investments were in compliance with the Investment Policy;
  - b. The Treasury Department's policies and procedures with respect to investment purchases were followed;
  - c. The investments were properly recorded; and
  - d. Any investment earnings on matured investments were calculated and recorded correctly.

Finding: We inspected the investment policies obtained in procedure two and compared the policies outlined for investment purchases contained within to the sample of investments purchased during the year and noted no exceptions. We agreed Asset ID, ISIN number, Maturity date, Principal (Value), and Security Ratings to the Clearwater report to ensure proper recording of the securities. We recalculated investment earnings on matured investments and agreed to the Clearwater system. No exceptions were noted as a result of this procedure.

8. We sampled ten weekly holdings reports for each external investment manager during the fiscal year ended June 30, 2020 and determined whether they were monitored by Treasury Department personnel and were in compliance with the Investment Policy. Specifically:
- a. We obtained the holdings report for each external manager for each week selected;
  - b. We inspected that the Treasury Department's review was documented on the holdings report;
  - c. We compared the holdings report to the Investment Policy limits and diversification guidelines to determine whether the external investment manager complied; and
  - d. We determined that any instances of noncompliance were identified and corrected by the Treasury Department and that probationary and reporting procedures were followed.

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(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY  
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS  
Year ended June 30, 2020

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Finding: No exceptions were noted as a result of this procedure.

9. We selected a sample of three monthly bank reconciliations during the fiscal year ended June 30, 2020 and performed the following:
- a. Traced general ledger balances and bank balances to supporting documentation;
  - b. Determine whether the reconciliations were completed within thirty days of month end;
  - c. Determine that any discrepancies were reported and resolved;
  - d. Determine that reconciliations and resolution of discrepancies were reviewed and approved by an official who was not responsible for recording receipts and disbursements; and
  - e. Determine that bank statements were mailed directly to the Accounting Department.

Finding: No exceptions were noted as a result of this procedure. We determined the items in b. - e. by observing the reconciliations contained the information listed.

10. We selected a sample of three monthly investment account reconciliations and inspected the supporting documentation to determine that:
- a. Reconciliations were completed and approved by the end of the month following the month being reconciled, and were performed by someone who was not responsible for recording receipts and disbursements;
  - b. Discrepancies were identified and resolved;
  - c. Reconciliations and the resolution of discrepancies were reviewed by an official who was not responsible for recording investment transactions; and
  - d. Investment statements were mailed directly to the Accounting Department.

Finding: The Bank of New York Mellon is accessed using a computer login, therefore procedure (d) listed above was not applicable. The remainder of the procedures were performed with no exceptions noted.

11. We inspected the Treasury Department's cash forecasting documentation to determine the Department performed or prepared the following:
- a. A day-to-day cash forecast for the current week;
  - b. Reviewed forecasts with the Funds Management Team;
  - c. Monitored actual cash flow activity versus forecast;
  - d. Maintained regular communication with external investment managers regarding OCTA cash forecast and operational needs.

Finding: No exceptions were noted as a result of this procedure. For procedure d., weekly communications were observed.

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(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY  
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS  
Year ended June 30, 2020

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12. We inspected monthly Investment and Debt Programs reports for required reporting of downgrades and credit watch placements.

Finding: No exceptions were noted as a result of this procedure.

13. We inspected minutes of both the Board of Directors and the Finance and Administration Committee, inquired with Treasury Department personnel, and inspected other supporting documentation to determine that the following required oversight activities took place:

- a. The Finance and Administration Committee reviewed investments on a monthly basis;
- b. The Board of Directors reviewed investments on a quarterly basis;
- c. The Board of Directors reviewed and approved the Investment Policy and amendments made during the fiscal year ended June 30, 2020
- d. The Internal Audit Department performed semi-annual reviews to determine if OCTA was in compliance with its debt, investment, and accounting policies and procedures and
- e. The funds management team met on a weekly basis.

Finding: No exceptions were noted as a result of this procedure. We inspected the Finance and Administration Committee meeting minutes, Board of Directors meeting minutes, semi-annual reviews performed by the Internal Audit Department, and the informational packet for the funds management team meeting noting that the above oversight activities took place.

14. We inquired whether there have been any changes in Treasury policies and procedures, organization or function, as a result of any prior year audit findings or as a result of the Treasury Department Agreed-Upon Procedures.

Finding: No exceptions were noted as a result of this procedure. Based upon our inquiry no changes in Treasury policies and procedures, organization or function were noted as a result of any prior year findings or as a result of the Treasury Department Agreed-Upon Procedures.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES RELATED TO  
ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION**

For the fiscal year ended June 30, 2020

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

Board of Directors  
Orange County Transportation Authority  
Orange, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) the of Orange County Transportation Authority ("OCTA" or "the Authority") as of June 30, 2020. OCTA's management is responsible for the preparation of the Worksheet.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish OCTA's appropriations limit and compared the 2019-2020 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCTA's Board of Directors. We compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCTA's Board of Directors.

Finding: No exceptions were noted as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2019-2020 appropriations limit.

Finding: No exceptions were noted as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were noted as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by OCTA's Board of Directors.

Finding: No exceptions were noted as a result of this procedure.

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(Continued)

We were engaged by OCTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of OCTA's Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California  
October 29, 2020

ORANGE COUNTY TRANSPORTATION AUTHORITY  
APPROPRIATIONS LIMIT CALCULATIONS  
Year ended June 30, 2020

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	<u>Amount</u>	<u>Source</u>
A. Last year's limit	\$ 11,573,733	
B. Adjustment factors:		
1. Population change	1.0385	State Finance
2. Per capital change	1.0029	State Finance
Total adjustments $[(B.1 \times B.2) - 1.0]$	0.04150	
C. Annual adjustment	<u>480,310</u>	A $\times$ B
D. This year's limit	<u>\$ 12,054,043</u>	A + C



**ORANGE COUNTY TRANSPORTATION AUTHORITY**  
**AGREED-UPON PROCEDURES PERFORMED**  
**WITH RESPECT TO THE NATIONAL TRANSIT DATABASE REPORT**  
June 30, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Orange County Transportation Authority  
Orange, California

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form FFA-10 (FFA-10) for the Orange County Transportation Authority (OCTA) annual National Transit Database (NTD) report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
2. A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
4. A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
5. The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
6. The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
7. Data are consistent with prior reporting periods and other facts known about OCTA's operations.

We have performed the procedures included in the declarations section of the *2020 NTD Policy Manual* and described in Attachment 1 of this report for the year ended June 30, 2020 solely to assist you in evaluating whether OCTA complied with the standards described above and that the information included in the NTD report FFA-10 form for the year ended June 30, 2020, is presented in conformity with the requirements of the *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630, *Federal Register*, January 15, 1993 and as presented in the *2020 NTD Policy Manual*. OCTA's management is responsible for OCTA's compliance with those standards and the accuracy of the FFA-10 form.

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(Continued)

OCTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose described above. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and findings described in Attachment 1 of this report, which are referenced in order to correspond to the *2020 NTD Policy Manual* procedures, were applied separately to each of the information systems used to develop the reported vehicle revenue miles (VRM), passenger miles (PM), fixed guideway directional route miles (FG DRM), High Intensity Bus Lanes directional route miles (HIB DRM), and operating expenses of OCTA for the year ended June 30, 2020, and for each of the following modes: (1) Motor Bus – Directly Operated (MBDO), (2) Commuter Bus - Directly Operated (CBDO), (3) Motor Bus - Purchased Transportation (MBPT), (4) Commuter Bus - Purchased Transportation (CBPT), (5) Demand Response - Purchased Transportation (DRPT), (6) Demand Response - Purchased Transportation – Taxi (DRTX) and (7) Vanpool Service - Purchased Transportation (VPPT).

We were engaged by OCTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the requirements of the *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630, *Federal Register*, January 15, 1993 and as presented in the *2020 NTD Policy Manual* or on the FFA-10. 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.

We are required to be independent of OCTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of OCTA management, OCTA Board of Directors and the FTA and is not intended to be and should not be used by anyone other than these specified parties.



Crowe LLP

Costa Mesa, California  
November 16, 2020

The procedures to be applied to each applicable mode and type of service (TOS) (DO, PT, and TX) are:

- a. Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2020 *NTD Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

**Finding:** We obtained and read a copy of OCTA's written instructions for Passenger Counting and Reporting (PCR) schedule generation. Based on inquiry surrounding collection, retention and reporting of NTD data, we noted that OCTA maintains and follows an informal set of procedures in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2020 *NTD Policy Manual*. No exceptions were noted as a result of this procedure.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
  - The extent to which the transit agency followed the procedures on a continuous basis; and
  - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2020 *NTD Policy Manual*.

**Finding:** We inquired regarding OCTA's procedures for the MBDO, CBDO, MBPT, CBPT, DRPT, DRTX, and VPPT services, and were informed that the informally asserted procedures were followed on a consistent and continual basis. In addition, based on our inquiry with the Business Unit Analyst of the Transit Division and the Section Manager of the Vanpool Program, management asserted that the procedures resulted in the accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2020 *NTD Policy Manual*. No exceptions were noted as a result of this procedure.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

**Finding:** We inquired with the Business Unit Analyst of the Transit Division, Section Manager of the Vanpool Program, and other key NTD personnel, regarding OCTA's retention policy for source documents supporting NTD data reported on the Federal Funding Allocation Statistics form. Per inquiry, the current practice is to retain electronic data for seven years. No exceptions were noted as a result of this procedure.

- d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

**Finding:** We inspected the following source documents for each type of service, selected three months out of the year and determined that the documents existed for each of these periods by observing OCTA's shared drive, without exception:

**ATTACHMENT 1**

<b>Type of Service</b>	<b>Source Document</b>	<b>Months Tested</b>
MBDO	<ul style="list-style-type: none"> <li>Operating Days by Month</li> <li>Passenger Survey Detail</li> <li>Revenue Vehicle Miles by Month</li> <li>Scheduled Daily Line Summaries</li> <li>Unlinked Passenger Trips</li> <li>Vehicle Revenue Miles by Service, Route, and Urbanized Area</li> <li>Automatic Passenger Counting (APC) Summaries</li> </ul>	<ul style="list-style-type: none"> <li>October 2019</li> <li>February 2020</li> <li>June 2020</li> <li>Three years of data were noted to be archived on OCTA's network, with the exception of APC data, as the technology was implemented during March of the current fiscal year.</li> </ul>
CBDO	<ul style="list-style-type: none"> <li>Operating Days by Month</li> <li>Passenger Survey Detail</li> <li>Revenue Vehicle Miles by Month</li> <li>Scheduled Daily Line Summaries</li> <li>Unlinked Passenger Trips</li> <li>Vehicle Revenue Miles by Service, Route, and Urbanized Area</li> <li>Automatic Passenger Counting (APC) Summaries</li> </ul>	<ul style="list-style-type: none"> <li>September 2019</li> <li>December 2019</li> <li>April 2020</li> <li>Three years of data were noted to be archived on OCTA's network, with the exception of APC data, as the technology was implemented during March of the current fiscal year.</li> </ul>
MBPT	<ul style="list-style-type: none"> <li>Operating Days by Month</li> <li>Passenger Survey Detail</li> <li>Revenue Vehicle Miles by Month</li> <li>Scheduled Daily Line Summaries</li> <li>Unlinked Passenger Trips</li> <li>Vehicle Revenue Miles by Service, Route, and Urbanized Area</li> <li>Automatic Passenger Counting (APC) Summaries</li> </ul>	<ul style="list-style-type: none"> <li>September 2019</li> <li>December 2019</li> <li>April 2020</li> <li>Three years of data were noted to be archived on OCTA's network, with the exception of APC data, as the technology was implemented during March of the current fiscal year.</li> </ul>
CBPT	<ul style="list-style-type: none"> <li>Operating Days by Month</li> <li>Passenger Survey Detail</li> <li>Revenue Vehicle Miles by Month</li> <li>Scheduled Daily Line Summaries</li> <li>Unlinked Passenger Trips</li> <li>Vehicle Revenue Miles by Service, Route, and Urbanized Area</li> <li>Automatic Passenger Counting (APC) Summaries</li> </ul>	<ul style="list-style-type: none"> <li>September 2019</li> <li>December 2019</li> <li>April 2020</li> <li>Three years of data were noted to be archived on OCTA's network, with the exception of APC data, as the technology was implemented during March of the current fiscal year.</li> </ul>
DRPT	<ul style="list-style-type: none"> <li>Contractor Provided NTD Program Data Reports</li> <li>Driver Manifests</li> <li>ACCESS - Passenger and Mileage Summaries</li> </ul>	<ul style="list-style-type: none"> <li>September 2019</li> <li>December 2019</li> <li>April 2020</li> <li>Three years of data were noted to be archived on OCTA's network.</li> </ul>
DRTX	<ul style="list-style-type: none"> <li>Contractor Provided NTD Program Data Reports</li> <li>Same Day Taxi - Passenger and Mileage Summaries</li> <li>Supplemental ACCESS Program Data</li> </ul>	<ul style="list-style-type: none"> <li>September 2019</li> <li>December 2019</li> <li>April 2020</li> <li>This Mode of Service classification was just released by the FTA in the</li> </ul>

(Continued)

Type of Service	Source Document	Months Tested
		2020 NTD Policy Manual. We noted the Agency possessed archived data for the entire FY20 reporting period.
VPPT	<ul style="list-style-type: none"> <li>• Passenger Trips and Miles</li> <li>• Revenue Miles Summaries</li> <li>• Vanpool Trips and Miles</li> </ul>	<ul style="list-style-type: none"> <li>• <i>September 2019</i></li> <li>• <i>December 2019</i></li> <li>• <i>April 2020</i></li> <li>• Three years of data were noted to be archived on OCTA's network.</li> </ul>

- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

**Finding:** We inquired regarding the system of internal controls, noting that each respective mode/type of service is being reviewed by personnel independent of the preparation process. For the Purchased Transportation modes, we also inquired of the Independent Contractors regarding the system of internal controls surrounding the data collection process and transfer of NTD-related information to OCTA. We were informed that review is performed on a monthly basis and again at year-end for the MBDO, CBDO, MBPT, CBPT, DRPT, DRTX and VPPT modes. No exceptions were noted as a result of this procedure.

- f. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

**Finding:** We selected a sample of 16 Random Check Trip Sheets, each, for both the MBDO and MBPT services, 8 Random Check Trip Sheets, each, for both the CBDO and CBPT services, 48 Drivers Manifests for the DRPT service, and 12 Invoices for DRTX services, noting supervisory signatures documenting reviews of the data presented in the various services, without exception. For VPPT, we noted supervisory signatures on the source documents were in electronic format without exception.

- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

**Finding:** We obtained the worksheets utilized by OCTA to transcribe statistics to the Federal Funding Allocation Statistics (FFA-10) form and compared the data to summaries without exception. We recomputed the arithmetical accuracy of the summaries without exception.

- h. Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 2020 *NTD Policy Manual*.

**Finding:** Sampling was conducted for the MBDO, CBDO, MBPT, and CBPT modes. On March 23, 2020, OCTA was instructed to cease the use of on-board surveyors in order to sample trips for the preceding four modes, in an effort to maintain the health and safety of employers, as well as the public, from potential exposure to COVID-19. As an alternative method of sampling, OCTA began using Automatic Passenger Counting (APC) software, in order to continue collecting data for their fixed-route services. We inspected the sampling methodology used prior to March 23, 2020, in addition to the data supplied with the APC data, which we noted were in accordance with the requirements of the 2020 *NTD Policy Manual* as well as the COVID-19 Reporting Guidance. Additionally, in order for OCTA to use APC data for the current fiscal year, FTA approval was required to be obtained. The Agency received FTA approval prior to the date of this report.

The remaining three modes of services (DRPT, DRTX, and VPPT) do not involve sampling. These modes use a 100% count of actual Passenger Miles and compilations of actual Revenue Miles, which are in accordance with the 2020 *NTD Policy Manual*. No exceptions were noted as a result of this procedure.

- i. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
  - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
  - Service purchased from a seller is included in the transit agency's NTD report.
  - For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and  $\pm 10$  percent precision requirements.
  - Determine how the transit agency estimated annual PMT for the current report year

**Finding:** Not applicable - OCTA did not meet the specific requirements per the criteria above. Therefore, the procedure identified above is not applicable.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

**Finding:** The transit agency uses average trip length for sampling in order to estimate PMT. For the MBDO, CBDO, MBPT, and CBPT modes, we obtained a copy of OCTA's methodologies used to calculate and estimate Passenger Miles Traveled (PMT), to which we determined that the methodologies used by OCTA resulted in a random selection of runs, and that the stated sampling procedure was followed. OCTA sampled 347 trips prior to stopping the use of on-board checkers due to the COVID-19 pandemic. In order to best estimate PMT without the use of on-board checkers, OCTA began the use of APC data collection as an alternative means to collecting data necessary to calculate PMT utilizing the Average Passenger Trip Length (APTL) PMT sampling method. No exceptions were noted as a result of this procedure, as we noted the applied sampling methodologies were in accordance with the authoritative guidance of the FTA.

- k. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulation periods that were tested. Test the arithmetical accuracy of the summary.

**Finding:** For MBDO, we randomly selected 16 surveyed routes throughout the year. We recomputed the mathematical accuracy of the survey count sheets and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. No exceptions were found as a result of this procedure.

For CBDO, we randomly selected 8 surveyed routes throughout the year. We recomputed the mathematical accuracy of the survey count sheets and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. No exceptions were found as a result of this procedure.

For MBPT, we randomly selected 16 surveyed routes throughout the year. We recomputed the mathematical accuracy of the survey count sheets and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. No exceptions were found as a result of this procedure.

For CBPT, we randomly selected 8 surveyed routes throughout the year. We recomputed the mathematical accuracy of the survey count sheets and observed all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. No exceptions were found as a result of this procedure.

For DRPT and DRTX modes, we selected 48 routes performed during September 2019, December 2019 and April 2020 and compared the PMT reported against the signed driver manifests. We recomputed the mathematical accuracy of the trip sheets and observed all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. In our April 2020 DRPT sample selections, we noted a net variance of 15 miles across four of our selections, which resulted in a net under-reporting of 15 passenger miles traveled for our sampled routes. No other exceptions were found as a result of this procedure.

For VPPT, we compared ridership being entered on the Vanpool internet database for September 2019, January 2020 and March 2020 against amounts uploaded to the Data Warehouse without exception. We also traced revenue miles reported in the Vanpool Participation Log reports for September 2019, January 2020, and March 2020 to the Monthly Summary reports of the same months and recomputed the accuracy of calculations used to determine PMT without exception.

- l. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

**Finding:** The procedure identified above is not applicable. Per inquiry with various key-personnel assigned responsibility for NTD reporting, OCTA did not provide charter or school bus services.



- m. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.

**Finding:** For the MBDO, CBDO, MBPT and CBPT modes, OCTA calculated missed hours of service rather than missed trips. This resulted in a Total Actual Revenue Vehicle Hours (RVH) by mode as a percentage of Monthly Total Scheduled VRM calculation, which was computed by dividing the number of service hours actually operated by the number of service hours scheduled. This percentage was applied to scheduled VRMs to determine the number of VRMs actually operated and the number of missed VRMs. We selected all days from 9 months of the year, recalculated the VRMs and compared them to amounts used in the total VRM without exception. We recalculated the percentage of actual revenue hours over the scheduled revenue hours used to determine the missed VRM, without exception.

- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.

**Finding:** This procedure is not applicable.

- If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

**Finding:** For the DRPT mode, Revenue Miles are calculated based on the odometer readings from the first pickup to the last drop off. There are no deadhead miles included in the Revenue Miles calculations due to the nature of the service being comprised of non-dedicated trips. No exceptions were noted as a result of this procedure.

For the DRTX mode, Revenue Miles are calculated by the contractors based on pick up and drop off data entered into the scheduling software. Revenue Miles data is uploaded to the OCTA database and compared to the scheduling data for quality assurance. There are no deadhead miles since these are non-dedicated taxi trips, and accordingly, Revenue Miles for each trip are recorded. No exceptions were noted as a result of this procedure.

For the VPPT mode, deadhead miles are automatically excluded because only commuter miles are entered into the calculation of Revenue Miles and the results are reviewed by the Section Manager of the Vanpool Program. No exceptions were noted as a result of this procedure.

- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

**Finding:** The procedure identified above is not applicable as OCTA does not provide rail service.

- o. If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:

- Rail, Trolleybus (TB), Ferryboat (FB), or Aerial Tramway (TR); or
- Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
  - i. Access is restricted;
  - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and
  - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., Vanpools (VP), carpools) must demonstrate safe operation.

**Finding:** We interviewed the Business Unit Analyst of the Transit Division and determined that OCTA's Motor and Commuter Bus services operate over HIB lanes that appear consistent with the FTA's definition of HIB lanes. No exceptions were noted as a result of this procedure.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

**Finding:** Per inquiry, we determined that the mileage was computed in accordance with the FTA definitions of FG/HIB DRM. We were informed that there were no increases or decreases in DRMs during the year. No exceptions were noted as a result of this procedure.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:

- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
- If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

**Finding:** Per inquiry with the Business Unit Analyst of the Transit Division, there were no temporary interruptions in transit service during the report year attributable to maintenance or rehabilitation improvements to the Fixed Guideway segments. No exceptions were noted as a result of this procedure.

- r. Measure FG/HIB DRM from maps or by retracing route.

**Finding:** We recalculated the length of all HIB directional routes for the MBDO, CBDO and CBPT modes of service using publicly available maps without exception. The MBPT mode does not operate over HIB lanes. No exceptions were noted as a result of this procedure.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

**Finding:** We interviewed the Business Unit Analyst of the Transit Division and noted that OCTA does share High Intensity Lanes. However, the shared High Intensity Lanes were noted as claimed by the proper agency per the NTD annual reporting manual, and not by OCTA. No exceptions were noted as a result of this procedure.

- t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2020 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2020 report year, the Agency Revenue Service Date must occur within the transit agency's 2020 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

**Finding:** We obtained the HIB segments form noting the High Intensity segments and dates. It was noted that OCTA added no new segments during the year, as evidenced in the HIB segments form and per inquiry with the Section Manager of Accounting & Financial Reporting. No exceptions were noted as a result of this procedure.

- u. Compare Operating Expenses with audited financial data after reconciling items are removed.

**Finding:** Operating expenses were compared to the trial balances subject to audit without exception.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. The purchased transportation fare revenues should equal the amount reported on the Contractual Relationship form.

**Finding:** Per inquiry and inspection, we determined that the transit agency purchased transportation services. We then identified the PT fare revenues reported on the Contractual Relationship form and agreed the amounts to the general ledger without exception.

- w. If the transit agency's report contains data for purchased transportation services and the procedures in this auditor's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this auditor's review, and the transit agency also does not have an Independent Auditor Statement for the purchased transportation data.

**Finding:** The data for purchased transportation are included in the reporting by OCTA, and therefore, no IAS for the purchased transportation services is included. No exceptions were noted as a result of this procedure.

- x. If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

**Finding:** We inspected the MBPT, CBPT, DRPT, DRTX and VPPT service contracts and determined that they contained the items noted above without exception. We inquired with the Business Unit Analyst of the Transit Division and Section Manager of the Vanpool Program, regarding OCTA's retention policy for executed contracts for purchased transportation programs. Per inquiry, the current retention practice meets NTD requirements of a minimum of three years. No exceptions were noted as a result of this procedure.

- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

**Finding:** Per inquiry, OCTA provides services in more than one UZA but does not provide services to non-urbanized areas. Allocations to urbanized areas are based on trip pattern analysis. The number of yearly trips per pattern is multiplied by the number of miles determined for each UZA. We recalculated 8 UZA allocations for mathematical accuracy for the MBDO, MBPT, CBDO and CBPT services, with no exceptions noted.

- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

**Finding:** The following fluctuations were noted on the FFA-10 Form:

**MBDO:**

- A 20.3% decrease in Passenger Miles Traveled (PMT). Per inquiry, this change was attributable to the COVID-19 pandemic impacting ridership, as the passenger boarding's were roughly half of what was estimated.
- A 17.6% decrease in Unlinked Passenger Trips (UPT). Per inquiry, this change was attributable to the COVID-19 pandemic impacting ridership, as passenger boarding's have a direct correlation to UPT.
- A 77.9% increase in High Intensity Busway Vehicle Revenue Miles (HIB VRM). Per inquiry, this change was attributable to the routine, scheduled services changes that occurred in October 2019 and February 2020, which increased trip frequency along one of the Routes that operates over High Intensity Busways.

**CBDO:**

- A 19.1% decrease in Vehicle Revenue Miles (VRM). Per inquiry, this change is attributable to service changing scheduled operational times from the weekday to the weekend schedule, in which CB does not operate on weekends, resulting in fewer scheduled trips, reporting decreased levels of VRM compared to the prior reporting year.
- A 21.8% decrease in Vehicle Revenue Hours (VRH). Per inquiry, this change is attributable to service changing scheduled operational times from the weekday to the weekend schedule, in which CB does not operate on weekends, resulting in fewer scheduled trips, reporting decreased levels of VRH compared to the prior reporting year.

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(Continued)

- A 20.7% decrease in Passenger Miles Traveled (PMT). Per inquiry, this change is attributable to decreased passenger boarding's as a result of the COVID-19 pandemic, of which boarding's are a key driver to PMT estimation.
- A 15.9% decrease in Operating Expenses (OE). Per inquiry, this change is attributable to decreased costs realized from operating scheduled trips on the weekend schedule, as opposed to the weekday schedule, resulting in lower expenses necessary to operate the CB modes.
- A 27.2% decrease in High Intensity Bus Vehicle Revenue Miles (HIB VRM). Per inquiry, this change is attributable to service changing scheduled operational times from the weekday to the weekend schedule, in which CB does not operate on weekends, resulting in fewer scheduled trips, reporting decreased levels of HIB VRM compared to the prior reporting year.

**MBPT:**

- A 15.1% decrease in Vehicle Revenue Miles (VRM). Per inquiry, this change is attributable to service changing scheduled operational times from weekday to the weekend schedule, resulting in nearly half of the number of trips that occurred during the COVID-19 period, compared to regular operations.
- A 14.9% decrease in Vehicle Revenue Hours (VRH). Per inquiry, this change is attributable to service changing scheduled operational times from weekday to the weekend schedule, resulting in nearly half of the number of trips that occurred during the COVID-19 period, compared to regular operations.
- A 26.3% decrease in Passenger Miles Traveled (PMT). Per inquiry, this change is attributable to substantially less ridership during the COVID-19 pandemic, in which the volume of passenger boarding's is a key driver in estimation of annual PMT.
- A 20.6% decrease in Unlinked Passenger Trips (UPT). Per inquiry, this change is attributable to ridership being significantly affected by the COVID-19 pandemic, which is a key driver in estimating annual UPT.

**CBPT:**

- A 44.1% decrease in Vehicle Revenue Miles (VRM). Per inquiry, this change is attributable to the OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends.
- A 49.4% decrease in Vehicle Revenue Hours (VRH). Per inquiry, this change is attributable to OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends.
- A 36.8% decrease in Passenger Miles Traveled (PMT). Per inquiry, this change is attributable to OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends. Additionally, with ridership being a key driver in estimation of annual PMT and the negative effects of the COVID-19 pandemic on that key driver, PMT decreased substantially compared to the prior reporting year.
- A 42.6% decrease in Unlinked Passenger Trips (UPT). Per inquiry, this change is attributable to OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends. Additionally, with ridership being a key driver in estimation of annual UPT and the negative effects of the COVID-19 pandemic on that key driver, UPT decreased substantially compared to the prior reporting year.
- A 33.7% decrease in Operating Expenses (OE). Per inquiry, this change is attributable to OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends. As a result of the lessened frequency of trips, the related operational costs from the contractor to provide services also decreased.

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(Continued)

- A 42.1% decrease in High Intensity Bus Directional Route Miles (HIB DRM). Per inquiry, this change is attributable to OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends.
- A 51.1% decrease in High Intensity Bus Vehicle Revenue Miles (HIB VRM). Per inquiry, this change is attributable to OC Fair Express being transitioned back to CBDO, as well, during the COVID-19 pandemic ridership declined by 90% as service changed to a weekend schedule during weekdays when CB service does not operate on weekends.

**DRPT:**

- A 43.9% decrease in Vehicle Revenue Hours (VRH). Per inquiry, this change is attributable to the addition of a new mode of service released by the FTA in the 2020 NTD Policy Manual; DRTX. Subcontracted incidental taxi trips, which were previously classified as DRPT, satisfied the qualifications to be reported as DRTX in the FY2020 reporting year, causing a large portion of the year over year change. Additionally, the COVID-19 pandemic resulted in a 60% decrease in service demand.
- A 48.6% decrease in Unlinked Passenger Trips (UPT). Per inquiry, this change is attributable to the addition of a new mode of service released by the FTA in the 2020 NTD Policy Manual; DRTX. Subcontracted incidental taxi trips, which were previously classified as DRPT, satisfied the qualifications to be reported as DRTX in the FY2020 reporting year, causing a large portion of the year over year change. Additionally, the COVID-19 pandemic resulted in a 60% decrease in service demand, as well as an 80% decrease in ridership, directing affecting annual UPT.
- A 51.7% decrease in Vehicle Revenue Miles (VRM). Per inquiry, this change is attributable to the addition of a new mode of service released by the FTA in the 2020 NTD Policy Manual; DRTX. Subcontracted incidental taxi trips, which were previously classified as DRPT, satisfied the qualifications to be reported as DRTX in the FY2020 reporting year, causing a large portion of the year over year change. Additionally, the COVID-19 pandemic resulted in a 60% decrease in service demand, as well as an 80% decrease in ridership, directing affecting annual VRM.
- A 51.3% decrease in Passenger Miles Traveled (PMT). Per inquiry, this change is attributable to the addition of a new mode of service released by the FTA in the 2020 NTD Policy Manual; DRTX. Subcontracted incidental taxi trips, which were previously classified as DRPT, satisfied the qualifications to be reported as DRTX in the FY2020 reporting year, causing a large portion of the year over year change. Additionally, the COVID-19 pandemic resulted in a 60% decrease in service demand, as well as an 80% decrease in ridership, directing affecting annual PMT.
- A 38.3% decrease in Operating Expenses (OE). Per inquiry, this change is attributable to service demand and ridership decreasing by 60% and 80%, respectively. As a result, the costs to operate the service decreased accordingly.

**DRTX:**

- A 100% increase in Vehicle Revenue Hours (VRH), Unlinked Passenger Trips (UPT), Vehicle Revenue Miles (VRM), Passenger Miles Traveled (PMT), and Operating Expenses (OE). Per inquiry, this is a new mode of service, and thus there is no prior reporting year FFA-10 to compare the current reporting year data to.

**VPPT:**

- A 27.6% decrease in Vehicle Revenue Hours (VRH). Per inquiry, this change is attributable to the decrease in Vanpool Groups, along with OCTA relaxing their occupancy requirement for period of March 2020 – June 2020. This resulted in many Vanpools transitioning into non-operational status. Additionally, higher prices drove down driver-passenger participation in the program, as well as the ridership usage.
- A 25.7% decrease in Unlinked Passenger Trips (UPT). Per inquiry, this change is attributable to the decrease in Vanpool Groups, along with OCTA relaxing their occupancy requirement for period of March 2020 – June 2020. This resulted in many Vanpools transitioning into non-operational status. Additionally, higher prices drove down driver-passenger participation in the program, as well as the ridership usage.

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(Continued)

## ATTACHMENT 1

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- A 22.9% decrease in Vehicle Revenue Miles (VRM). Per inquiry, this change is attributable to the decrease in Vanpool Groups, along with OCTA relaxing their occupancy requirement for period of March 2020 – June 2020. This resulted in many Vanpools transitioning into non-operational status. Additionally, higher prices drove down driver-passenger participation in the program, as well as the ridership usage.
- A 26.6% decrease in Passenger Miles Traveled (PMT). Per inquiry, this change is attributable to the decrease in Vanpool Groups, along with OCTA relaxing their occupancy requirement for period of March 2020 – June 2020. This resulted in many Vanpools transitioning into non-operational status. Additionally, higher prices drove down driver-passenger participation in the program, as well as the ridership usage.
- A 10.9% decrease in Operating Expenses (OE). Per inquiry, this change is attributable to the decrease in Vanpool Groups, along with OCTA relaxing their occupancy requirement for period of March 2020 – June 2020. This resulted in many Vanpools transitioning into non-operational status. Additionally, higher prices drove down driver-passenger participation in the program, as well as the ridership usage. With less driver-passenger participation and ridership usage, the costs to operate the program also declined

No exceptions were noted as a result of this procedure.

- aa. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by FTA.

**Finding:** We have documented the procedures followed based on the FTA 2020 *NTD Policy Manual* Exhibit 79 - Federal Funding Allocation Data Review - Suggested Procedures, and noted the documents inspected and tests performed in our workpapers. Additional procedures were not performed.

**ORANGE COUNTY LOCALTRANSPORTATION AUTHORITY**  
**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED UPON PROCEDURES RELATED TO**  
**ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION.**

For the fiscal year ended June 30, 2020



INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Orange County Local Transportation Authority  
Orange, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the Orange County Local Transportation Authority ("OCLTA" or "Authority") as of June 30, 2020. OCLTA's management is responsible for the preparation of the Worksheet.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish OCLTA's appropriations limit and compared the 2019-2020 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCLTA's Board of Directors. We compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCLTA's Board of Directors.

Finding: No exceptions were noted as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2019-2020 appropriations limit.

Finding: No exceptions were noted as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were noted as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by OCLTA's Board of Directors.

Finding: No exceptions were noted as a result of this procedure.

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(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of OCTLA's Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Crowe LLP

Costa Mesa, California  
October 29, 2020

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
APPROPRIATIONS LIMIT CALCULATIONS  
Year ended June 30, 2020

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	<u>Amount</u>	<u>Source</u>
A. Last year's limit	\$ 1,749,112,942	
B. Adjustment factors:		
1. Population change	1.0385	State Finance
2. Per capital change	1.0029	State Finance
Total adjustments [(B.1 x B.2) – 1.0]	0.04150	
C. Annual adjustment	<u>73,556,910</u>	A x B
D. This year's limit	<u>\$ 1,821,701,129</u>	A + C



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors  
**From:** Andrea West, Interim Clerk of the Board *Andrea West*  
**Subject:** Fiscal Year 2020-21 Internal Audit Plan, Second Quarter Update

Finance and Administration Committee Meeting of January 13, 2021

**Present:** Directors Do, Hennessey, Hernandez, Jones, and Muller  
**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 5-0 by the Members present.

### **Committee Recommendation**

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan as an information item.



**January 13, 2021**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Fiscal Year 2020-21 Internal Audit Plan, Second Quarter Update

### **Overview**

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan on July 27, 2020. This report provides an update of activities for the second quarter of the fiscal year.

### **Recommendation**

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan as an information item.

### **Background**

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management in the discharge of its duties and responsibilities.

Internal Audit performs a wide range of auditing services that include overseeing the annual financial and compliance audits, conducting operational and contract compliance reviews, investigations, pre-award price reviews, and Buy America reviews. In addition, audits initiated by entities outside of OCTA are coordinated through Internal Audit.

### **Discussion**

The OCTA Fiscal Year (FY) 2020-21 Internal Audit Plan (Plan) (Attachment A) reflects the status of each project.

During the second quarter of the FY, Internal Audit issued results of an audit of employee separations. Based on the audit, internal controls related to employee separations have been established, and controls to ensure accurate final payroll processing are adequate. However, Internal Audit offered three recommendations to improve the employee off-boarding process, to ensure more consistent quarterly stale account reviews, and to improve documentation and communication of employee exit survey results. Management agreed with the recommendations and indicated that corrective actions will be taken.

Internal Audit also issued results of banking services and the agreement with Bank of the West. Based on the audit, controls, policies, and procedures over banking activities are generally adequate and operating, and Bank of the West operates in compliance with the agreement. Internal Audit offered two recommendations to further enhance controls related to bank-authorized signers and bank statement analyses. Management agreed and indicated that procedures would be developed to enhance controls.

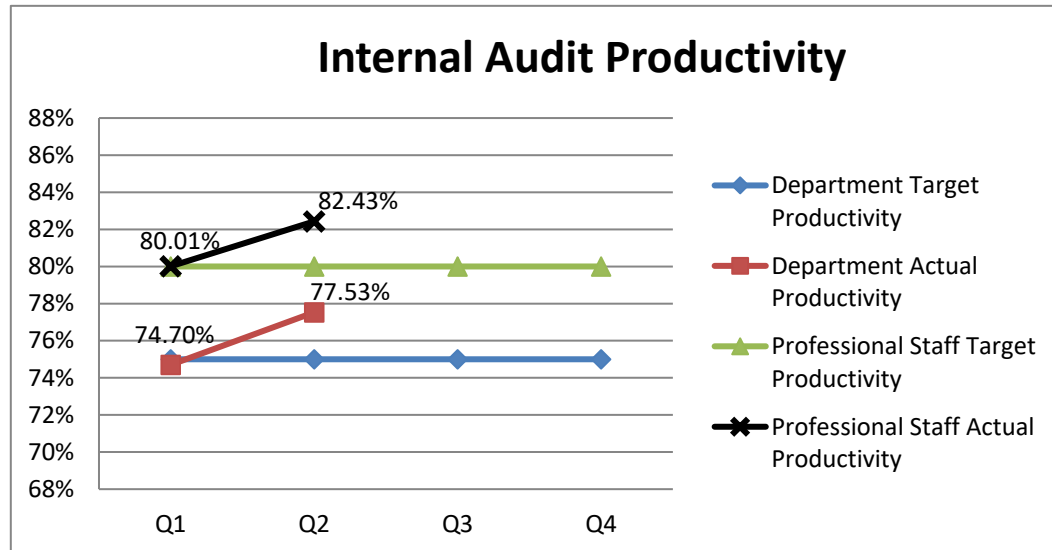
The primary focus of Internal Audit during the quarter was to provide coordination and assistance related to the annual financial audits and agreed-upon procedure reviews conducted by OCTA's independent financial statement auditor, Crowe LLP (Crowe). All audits and agreed-upon procedures reviews, except those related to individual cities and the County of Orange, were issued. In connection with the audits, Crowe made five recommendations to management for improvement to internal controls. Management agreed with the recommendations and outlined actions to address the issues.

The Department of Finance, Office of State Audits and Examinations, continued work on the audit of four Proposition 1B-funded projects. Internal Audit will continue to provide assistance and coordination of the audit, and will report results when received.

#### **Internal Audit Productivity**

Internal Audit measures the productivity of the department by calculating a productivity ratio. The ratio, used broadly throughout the audit industry, measures the amount of time auditors spend on audit projects versus time spent on administrative duties. Productivity goals are established for both the professional staff and for the department as a whole. Because the executive director regularly participates in non-audit management activities such as planning and committee meetings, the department-wide target is set at 75 percent. The target for internal audit professional staff, not including the executive director, is 80 percent.

For the second quarter ended December 31, 2020, Internal Audit achieved productivity of 77.5 percent, and the professional staff achieved productivity of 82 percent.



### Price Reviews

At the request of the Contracts Administration and Materials Management (CAMP) Department, and consistent with OCTA's procurement policy, Internal Audit conducts reviews of single bid procurements to ensure that CAMP handled the procurement in a fair and competitive manner. Internal Audit also reviews prices proposed by architectural and engineering firms, and sole source contractors, to ensure that the prices are fair and reasonable. Internal Audit lists adjustments to rates where the proposed rates exceed rates calculated during the review. During the second quarter, Internal Audit issued results of six price reviews.

### Fraud Hotline

During the quarter ended December 31, 2020, Internal Audit received three reports through OCTA's Fraud Hotline, [www.ethicspoint.com](http://www.ethicspoint.com). Based on the nature of the complaints, two reports were referred to Customer Service, and one was referred to Human Resources and Organizational Development. As part of the administration of the hotline, Internal Audit maintains documentation of each complaint and its disposition.

Internal Audit is committed to responding to all hotline complaints within eight business days. During the quarter ended December 31, 2020, Internal Audit made initial contact within two business days.

#### **Findings and Recommendations Tracking**

At the request of the Finance and Administration Committee, unresolved audit recommendations are included with the quarterly updates to the Plan as Attachment B. Internal Audit includes the findings and recommendations generated internally, as well as those provided by regulatory auditors and OCTA's independent financial statement auditors.

During the quarter ended December 31, 2020, Internal Audit completed follow-up reviews of four outstanding audit recommendations and concluded that management had taken appropriate corrective actions (Attachment C). The follow-up review of one recommendation is in process as of the end of the quarter. Five recommendations were added as a result of audits issued during the second quarter, and one item was added related to recommendations made by OCTA's independent financial statement auditor in connection with their audit of OCTA's financial statements.

#### **Summary**

Internal Audit will continue to implement the Plan, report on performance metrics, follow up on outstanding audit recommendations, and report progress on a quarterly basis.

#### **Attachments**

- A. Orange County Transportation Authority Fiscal Year 2020-21 Internal Audit Plan, Second Quarter Update
- B. Outstanding Audit Recommendations, Audit Reports Issued Through December 31, 2020
- C. Audit Recommendations Closed During Second Quarter, Fiscal Year 2020-21

**Prepared by:**



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Janet Sutter  
Executive Director, Internal Audit  
714-560-5591



**Orange County Transportation Authority  
Fiscal Year 2020-21 Internal Audit Plan  
Second Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Mandatory External Independent Audits</b>							
Annual Financial Audits and Agreed-Upon (AUP) Procedures Reviews	FY21-001 through FY21-004	Coordinate and report on annual financial and AUP reviews for fiscal year 2019-20.	Financial	450	210	240	In Process
External Regulatory Audits	FY21-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	60	38	22	In Process
<b>Internal Audit Department Projects</b>							
Risk Assessment and Annual Audit Plan	FY21-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year, including monitoring the audit results of related entities.	Audit Plan and Updates	180	57	123	
Quality Assurance and Self-Assessment	FY21-101	Update of Internal Audit Policies & Procedures. Annual self assessment of the Internal Audit Department's (Internal Audit) compliance with Generally Accepted Government Auditing Standards.	Quality Assurance	160	21.5	139	
Fraud Hotline Activities	FY21-102	Administrative duties related to maintenance of the Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	240	30	210	5 Reports
Automated Workpaper Solution	FY21-103	System updates/training related to automated workpaper solution.	Workpaper System	40	7	33	
<b>Internal Audits</b>							
<b>Security and Emergency Preparedness</b>							
Physical Access Security	FY21-5XX	Review and test controls in place to ensure physical access security at Orange County Transportation Authority (OCTA) locations.	Internal Control / Operational	240		240	
<b>Clerk of the Board</b>							
Form 700 Disclosures	FY21-5XX	Review and test controls in place related to coordination of Form 700 disclosures by designated employees.	Compliance	240		240	

**Orange County Transportation Authority  
Fiscal Year 2020-21 Internal Audit Plan  
Second Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Human Resources and Organizational Development</b>							
Department of Motor Vehicles (DMV) Pull Notice Program	FY20-5XX	Assess controls and test operation of the DMV Pull Notice Program.	Internal Control/ Operational	240		240	
Separations	FY21-501	Assess and test controls related to employee separations.	Operational	220	226.5	(7)	Complete 10-12-20
<b>Capital Programs</b>							
Interstate 5 (I-5) Project: State Route 55 (SR-55) to State Route 57 (SR-57)	FY20-510	Review of the I-5 Project: SR-55 to SR-57, including project administration, oversight controls, and contract compliance.	Internal Control / Compliance	60	57	3	Complete 7-29-20
OC Streetcar Project Management	FY21-503	Review of the OC Streetcar project management controls, including project administration, oversight controls, and contract compliance.	Internal Control / Compliance	320	337.5	(18)	In Process
<b>Planning</b>							
Comprehensive Transportation Funding Programs (CTFP): Oversight and Reporting	FY20-512	Review of OCTA monitoring and reporting controls over CTFP projects.	Internal Control	160	288.5	(129)	In Process
<b>Operations</b>							
Facilities Maintenance	FY21-507	Review of facilities maintenance function within Operations Division, including oversight controls and contract compliance.	Operational / Compliance	300	64	236	In Process
Bridgestone/Firestone Tire Lease and Services	FY21-506	Evaluate and test oversight controls and contract compliance related to the agreement with Bridgestone/Firestone for lease of tires and related services.	Internal Controls / Compliance	240	101.5	139	In Process
<b>Finance and Accounting</b>							
Treasury	FY21-502	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	200	120	80	1 Report Issued
Banking Services - Bank of the West	FY20-507	Assess and test controls to ensure compliance with the agreement between OCTA and Bank of the West for banking services.	Compliance	100	192.5	(93)	Complete 10-21-20

**Orange County Transportation Authority  
Fiscal Year 2020-21 Internal Audit Plan  
Second Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Contract Administration and Materials Management (Camm)</b>							
Price Reviews	PR21-XXX	As requested by the Camm Department, apply AUP to sole source, single bid, and architectural and engineering firm proposals.	Price Review	800	656.5	144	16 Reports Issued
Buy America	PR21-XXX	As requested by the Camm Department, apply AUP to determine compliance with Buy America requirements.	Buy America	180	122	58	2 Reports Issued
<b>Unscheduled Reviews and Special Requests</b>							
Unscheduled Reviews and Special Requests	FY21-800	Time allowed for unplanned audits and requests from the Board of Directors (Board) or management.	Varies	240	68	172	
<b>Monitoring Activities</b>							
Measure M Taxpayer Oversight Committee (TOC)	FY21-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	60	9	51	
Metrolink Audit Activities	FY21-602	Obtain and review audit results of Metrolink activities	Non-Audit Service	20	47	(27)	
Capital Asset Inventory Observation	FY20-603	At the request of the Finance and Administration Department, observe and apply limited procedures related to the bi-annual capital asset inventory counts.	Non-Audit Service	80	86	(6)	Complete
Bus Base Inspections	FY20-604	At the request of the Transit Division, participation on annual base inspection teams.	Non-Audit Service	40	23	17	Complete
<b>Follow-Up Reviews</b>							
Follow-Up Reviews and Reporting	FY21-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	280	63	217	
<b>Total Audit Project Planned Hours (A)</b>				<b>5,150</b>	<b>2,826</b>	<b>2,325</b>	

**Orange County Transportation Authority  
Fiscal Year 2020-21 Internal Audit Plan  
Second Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Internal Audit Administration</b>							
Board and Committee Meetings				180	74	106	
Executive Steering and Agenda Setting Meetings				180	69	111	
Internal Audit Staff Meetings				150	56.5	94	
Other Administration				1,250	659	591	
<b>Total Hours (B)</b>				<b>6,910</b>	<b>3,684</b>	<b>3,226</b>	
<b>Department Target Efficiency (A/B)</b>				75%	<b>78%</b>		75%
<b>Target Efficiency - Professional Staff</b>				80%	<b>82%</b>		80%

**Outstanding Audit Recommendations**  
**Audit Reports Issued through December 31, 2020**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response and Status</b>	<b>Internal Audit Status</b>
10/31/19	19-508	Capital Programs and Finance and Administration (F&A)	Oversight Controls and Contract Compliance Related to the Orange Transportation Center Parking Structure Project	<p>The Internal Audit Department (Internal Audit) recommends that prime and sub-consultants be required to have an adequate labor timekeeping system.</p> <p>Management should remind consultants of the need to request amendments to add staff, labor rates, and other direct costs in a timely fashion.</p>	Nov-20	<p>Capital Programs will work with the Contracts Administration and Materials Management (CAMP) Department to include language in the Personnel Qualifications and Responsibilities section of future request for proposals to require both prime contractors and sub-consultants to have an adequate labor timekeeping system.</p> <p>During project kick-off meetings after contract execution and in on-going meetings with the project managers, CAMP staff will emphasize the need for timely submission of requests for amendments.</p>	<b>Update June 2020:</b> CAMP is reminding consultants of the need to request amendments to add staff, labor rates, and other direct costs in a timely manner, at project kick-off meetings. This part of the recommendation will be closed. CAMP is planning to discuss requirements for consultant labor timekeeping systems at an upcoming meeting with a local engineering professional organization. This part of the recommendation will remain open pending the outcome of the meeting and CAMP's determination of the appropriate action. <b>Update December 2020:</b> Follow-up review in process.
2/18/20	20-501	F&A	Patch Management Program (PMP)	The auditors offered one recommendation to expand the PMP to address all other operating systems hardware, software, and peripherals, and to incorporate all devices into the PMP. The auditors also offered four recommendations to further enhance the PMP by formalizing plans to address patch vulnerabilities, removing obsolete operating systems and software from the network, restricting users from installing unauthorized software, and developing test scripts to ensure system functionality after implementation of a patch.	Feb-21	Management agreed with the recommendations and indicated that progress has been made, and efforts will continue to implement these improvements.	<b>Update September 2020:</b> Management is in the process of implementing the recommendations, and expects all five recommendations to be completed no later than January 2021. The recommendations will remain open until fully implemented.
7/29/20	20-510	Capital Programs	I-5 Project: SR-55 to SR-57	Internal Audit recommends that management add a step on reviewing labor rate escalation in its invoice review checklist. Internal Audit also recommends that management require cost documentation for other direct costs invoiced and request the consultant to bill all first-tier sub-consultants based on their contract rate schedules.	Jan-21	Management agrees with the recommendation, and items noted in the recommendation are currently being implemented. The invoice review checklist has been revised to add an additional step to include labor rate escalation review. Invoiced labor rate escalation is currently being reviewed. Management will be seeking recovery of the \$1,903 in over-billings due to the incorrect application of the contract's 2.5 percent annual labor escalation factor. Management had previously identified the first-tier subconsultant billing issue, and this was corrected with the consultant's April 2020 invoice. There was no increased cost to OCTA based on the previous sub-consultant billings.	

**Outstanding Audit Recommendations**  
**Audit Reports Issued through December 31, 2020**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response and Status</b>	<b>Internal Audit Status</b>
10/12/20	21-501	Human Resources and Organizational Development (HROD)	Employee Separations	Internal Audit recommended that the employee off-boarding process be improved and streamlined, with resumption of suspended efforts to automate the employee exit processing form.	Apr-21	Management responded that they would work with other departments to resume efforts to convert the employee exit processing form into an electronic form.	
10/12/20	21-501	HROD	Employee Separations	Internal Audit recommended that stale account reviews be performed quarterly to ensure that accounts associated with separated employees have been disabled or deleted.	Apr-20	Management agreed to perform these reviews timely and also noted that they are working to make the process more efficient.	
10/12/20	21-501	HROD	Employee Separations	Internal Audit recommended that invitations to participate in employee exit surveys be documented and that a procedure be developed to analyze and communicate exit survey results to management.	Apr-20	Management agreed, noting that written procedures will be developed to cover the employee exit survey process and communication of the results.	
10/21/20	21-507	F&A	Audit of Banking Services and Agreement with Bank of the West (BoFW)	Internal Audit recommended that management develop procedures to document the monthly and annual review processes for the BoFW statements and fees.	Apr-20	Management agreed and stated they would develop a procedure to document the monthly and annual review processes and include evidence of any investigations conducted.	
10/21/20	21-507	F&A	Audit of Banking Services and Agreement with BoFW	Internal Audit recommended that management implement a procedure to ensure timely updates to the BoFW signature card and explore options to further enhance the control environment related to cash withdrawals by authorized personnel.	Apr-20	Management agreed and indicated they would develop a procedure to ensure timely update of the BoFW signature card and would work with BoFW to implement tools to further enhance controls over cash withdrawals, if available.	
11/16/20	Not Applicable	F&A	Fiscal Year 2019-20 Management Letter	In connection with the audit of OCTA's financial statements, Crowe LLP issued a management letter identifying five control deficiencies related to accounting for contingencies, accounting for capital assets, classification of non-recurring revenue, accounts payable accruals, and review of the Service Organization Control report related to worker's compensation.	Nov-20	Management agreed with the recommendations and indicated that corrective actions will be taken.	


**Audit Recommendations Closed During  
Second Quarter, Fiscal Year 2020-21**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Internal Audit Status Comments</b>
12/5/19	19-512	External Affairs	Bus Marketing	Management should revise practices to ensure that contracts for similar services are combined and contract terms are set for longer periods when recurring services are sought. Management should train staff and perform monitoring, to ensure procurements are not being designed to fall under approval thresholds.	Management has revised practices to ensure contracts are combined and/or issued for longer periods for recurring services. Management has also issued an updated Project Management Manual that addresses procurement requirements and has conducted staff training.
12/6/19	19-513	External Affairs	Bus Marketing	Management should undergo training to reiterate the responsibilities of those charged with reviewing and approving invoices. Invoice Review Checklists should be blank and completed as invoices are reviewed.	A Project Controls function has been implemented and management has updated the Project Management Manual. Training, including guidance related to project manager responsibilities for contract management and invoice review has been conducted.
12/7/19	19-514	External Affairs	Bus Marketing	Internal Audit recommends written procedures be reviewed with project managers, and management requires documented compliance with requirements. Documentation should include the source and support of stated evaluation criteria and related results.	Management has updated the Project Management Manual and provided staff training. The manual addresses documentation of marketing efforts and results.
5/26/20	20-506	Operations	Revenue Vehicle Maintenance	Internal Audit recommends that management either incorporate several preventive maintenance tasks into the work order templates or document variances from the manufacturer guidelines with justification.	Management has incorporated manufacturer-recommended tasks or has documented decisions to deviate from the manufacturer guidelines.



***January 25, 2021***

**To:** Members of the Board of Directors

**From:** Chairman Andrew Do 

**Subject:** Approval of 2021 Orange County Transportation Authority Board Committees and External Agencies' Assignments

***Overview***

The recommended 2021 Board Member assignments for the Orange County Transportation Authority Board Committees and external agencies are presented for the Board of Directors' consideration and approval.

***Recommendations***

- A. Approve the Chairman's assignments for the 2021 Orange County Transportation Authority Board Committees comprised of the Executive, Finance and Administration, Legislative and Communications, Regional Planning and Highways, State Route 91 Advisory, Transit, and Environmental Oversight Committees.
- B. Receive the Chairman's assignments for 2021 external agencies comprised of the California Association of Councils of Governments, Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, Mobile Source Air Pollution Reduction Review Committee, Southern California Association of Governments' Regional Council, Orange County Council of Governments, and Southern California Regional Rail Authority.

***Background***

The Orange County Transportation Authority (OCTA) is governed by an 18-member Board of Directors (Board) comprised of:

- Ten city members elected by the Orange County City Selection Committee;
  - All five Orange County Board of Supervisors;
  - Two Public Members selected by the 15 OCTA Board Members above;
- and



- The Governor's Ex-Officio Member, who is a non-voting member and serves a four-year term, (appointed by the Governor of California), and historically has been held by the California Department of Transportation District 12 Director.

***Discussion***

Each year, the OCTA Board Chairman has the prerogative of assigning Members to committees, and those appointments are then confirmed by the Board.

The recommended assignments to the OCTA Board Committees and external agencies are detailed in Attachment A.

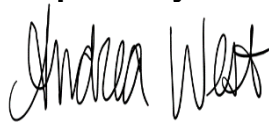
***Summary***

The recommended OCTA Board Committees and Chairman's external agencies' committee assignments for 2021 are presented for Board consideration and approval.

***Attachment***

- A. 2021 Orange County Transportation Authority (OCTA) Board Committees and External Agencies' Assignments

**Prepared by:**



Andrea West  
Interim Clerk of the Board  
(714) 560-5676

**Approved by:**



Jennifer L. Bergener  
Deputy Chief Executive Officer  
(714) 560-5462

**2021 Orange County Transportation Authority (OCTA)  
Board Committees and External Agencies' Assignments**

**OCTA - Board Committee Assignments:**

**Executive Committee**

Andrew Do, **Chairman**

Mark A. Murphy, **Vice Chairman/Regional Planning and Highways Chairman**

Steve Jones, **Immediate Past Chairman**

Lisa A. Bartlett, Legislative and Communications - **Chairwoman**

Michael Hennessey, Finance and Administration - **Chairman**

Tim Shaw, Transit - **Chairman**

**Finance and Administration Committee**

Michael Hennessey, **Chairman**

Steve Jones, **Vice Chairman**

Brian Goodell

Patrick Harper

Gene Hernandez

Joseph Muller

Second District Supervisor

**Legislative and Communications Committee**

Lisa A. Bartlett, **Chairwoman**

Gene Hernandez, **Vice Chairman**

Barbara Delgleize

Michael Hennessey

Mark A. Murphy

Harry S. Sidhu

Donald P. Wagner

**Regional Planning and Highways Committee**

Mark A. Murphy, **Chairman**

Barbara Delgleize, **Vice Chair**

Lisa A. Bartlett

Doug Chaffee

Patrick Harper

Gene Hernandez

Vicente Sarmiento

## **2021 Orange County Transportation Authority (OCTA) Board Committees and External Agencies' Assignments**

### **OCTA Board Committee Assignments:**

#### **Transit Committee**

Tim Shaw, **Chairman**  
Harry S. Sidhu, **Vice Chairman**  
Doug Chaffee  
Andrew Do  
Steve Jones  
Vicente Sarmiento  
Public Member

#### **Environmental Oversight Committee**

Lisa A. Bartlett, **Chairwoman**  
Brian Goodell, Member

#### **\*State Route 91 Advisory Committee**

Gene Hernandez  
Mark A. Murphy  
Tim Shaw  
Harry S. Sidhu  
Donald P. Wagner  
Michael Hennessey, Alternate

\*This Committee is comprised of representatives from both Orange and Riverside counties. The Chairman and Vice Chairman are selected by the Committee.

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### **External Agencies' Assignments:**

#### **California Association of Councils of Governments**

Barbara Delgleize

#### **Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency**

Al Murray  
Tim Shaw  
Michael Hennessey, Alternate  
Joe Muller, Alternate

## **2021 Orange County Transportation Authority (OCTA) Board Committees and External Agencies' Assignments**

### **External Agencies' Assignments:**

#### **Mobile Source Air Pollution Reduction Review Committee**

Tim Shaw

Lisa A. Bartlett, Alternate

#### **Orange County Council of Governments**

Brian Goodell

#### **Southern California Association of Governments' Regional Council**

Tim Shaw

#### **Southern California Regional Rail Authority**

Doug Chaffee

Mark A. Murphy

Harry S. Sidhu, Alternate



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors  
**From:** Andrea West, Interim Clerk of the Board *Andrea West*  
**Subject:** Fiscal Year 2020-21 First Quarter Budget Status Report

Finance and Administration Committee Meeting of January 13, 2021

**Present:** Directors Do, Hennessey, Hernandez, Jones, and Muller  
**Absent:** None

**Committee Vote**

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

**Staff Recommendation**

Receive and file as an information item.



**January 13, 2021**

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Fiscal Year 2020-21 First Quarter Budget Status Report

**Overview**

The Orange County Transportation Authority's staff has implemented the fiscal year 2020-21 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2020-21.

**Recommendation**

Receive and file as an information item.

**Background**

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2020-21 Budget on June 8, 2020. The approved budget itemized the anticipated revenues and expenses necessary to deliver OCTA's transportation programs and projects.

The balanced budget as originally approved by the Board in June was \$1.428 billion. Sources of funds were comprised of \$1 billion in current FY revenues and \$423.4 million in use of prior year designations. Uses of funds were comprised of \$1.37 billion of current FY expenditures and \$58.8 million of designations.

The Board approved one series of amendments through the first quarter, reducing the expense budget by \$28 million. This decreased the budget to \$1.4 billion as summarized in Table 1 on the following page.

**Table 1 - Working Budget**

Date	Description	Amount*
7/1/2020	Adopted Budget	\$ 1,427,620
9/14/2020	Anaheim Transit Network - CARES Act <sup>1</sup>	2,355
9/14/2020	Bus Service	(34,120)
9/14/2020	Healthcare	(931)
9/14/2020	LOSSAN Staffing - New Positions <sup>2</sup>	533
9/14/2020	Metrolink Service - Operating Subsidy	12,999
9/14/2020	OC Flex Service	(388)
9/14/2020	Designations	(8,438)
	<i>Subtotal Amendments</i>	<i>(27,989)</i>
	<b>Total Working Budget</b>	<b>\$ 1,399,631</b>

<sup>1</sup>CARES - Coronavirus Aid, Relief, and Economic Security

\*in thousands

<sup>2</sup>LOSSAN - Los Angeles - San Diego - San Luis Obispo Rail Corridor

### Discussion

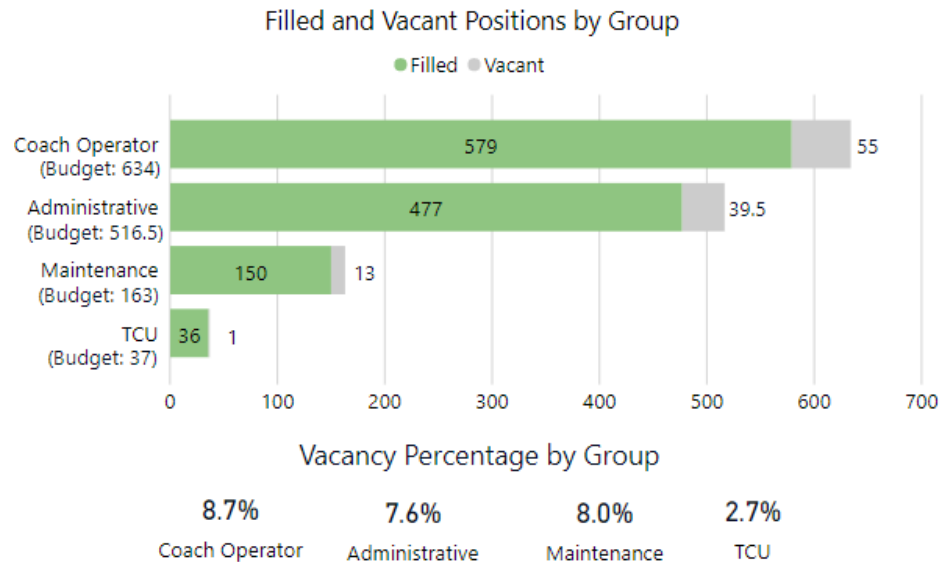
Staff monitors and analyzes revenues and expenditures versus the working budget. This report provides a summary level overview of staffing levels and explanations for material budget-to-actual variances within each pertinent OCTA program. The OCTA programs included are Bus, Commuter Rail, 91 Express Lanes, Motorist and Taxi Services, and Measure M2 (M2). A visual dashboard summary of this report is provided in Attachment A.

Unless indicated on an individual chart, the general color pattern used is outlined below:

- Gray – Budget
- Green – Within budget
- Yellow – Within five percent variance of budget
- Red – Over five percent variance of budget

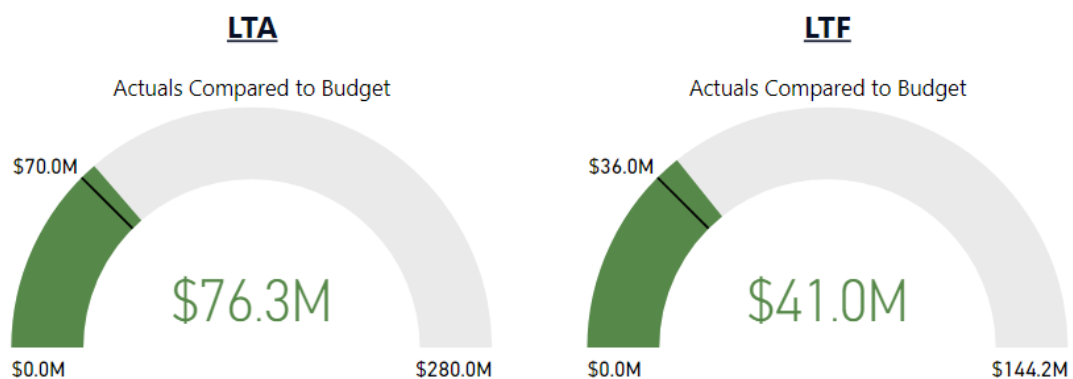
### Staffing

Total salaries and benefits underran the budget by \$2.7 million. This is primarily due to vacancies agency-wide, with the largest vacancy percentages in the coach operator (nine percent), and maintenance and administrative (eight percent) groups at the end of the quarter.



### Sales Tax Receipts

The charts below provide a FY snapshot for both the Local Transportation Authority (LTA) M2 Program and Local Transportation Fund (LTF) Bus Program sales tax revenues against the budget. LTA sales tax receipts of \$76.3 million were \$6.3 million higher than the budget and LTF sales tax receipts of \$41 million were \$5 million higher than the budget. Sales tax figures are outperforming the budget primarily because receipts finished stronger than anticipated in the final quarter of FY 2020 which ended in June.



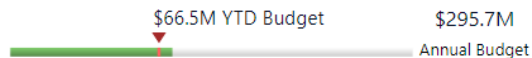


## Major Programs

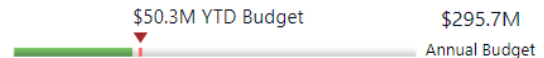
## Bus Program



## Operating Revenue



## Operating Expense



Bus Program operating revenue of \$72.5 million exceeded the budget by \$6 million, primarily due to higher than anticipated LTF sales tax revenue (\$5 million). Bus Program operating expenses of \$47.1 million underran the budget by \$3.2 million, primarily due to vacancies for coach operators, maintenance workers, and bus operations administrative employees totaling \$2.1 million. The remainder of the underrun (\$1.1 million) is the result of as needed items such as shop supplies, maintenance parts, marketing efforts, and on-call consultant services which vary based on the needs at any time during the FY.

## Capital Revenue



## Capital Expense



Bus Program capital revenue was in line with the budget for the first quarter. Capital expenses of \$2 million exceeded the budget by \$1.8 million, primarily due the timing of the purchase of coach operator relief vehicles. The purchase agreement was executed earlier than anticipated in the FY to take advantage of expiring incentives.

## Rail Program



## Operating Revenue



## Operating Expense



Rail Program operating revenue of \$12.2 million exceeded the budget by \$1.1 million, primarily due to higher than anticipated earnings on investments. Operating expenses of \$10.9 million slightly underran the budget due to lower

as-needed expenses for legal support, on-call engineering services, and right-of-way maintenance.

**Capital Revenue**

\$0.3M YTD Budget

\$23.6M  
Annual Budget**Capital Expense**

\$0.3M YTD Budget

\$23.6M  
Annual Budget

Rail Program capital revenue of \$0.3 million was in line with the budget through the first quarter. Capital expenses of \$0.4 million overran the budget due to the timing of a construction contract amendment for the Laguna Niguel to San Juan Capistrano Passing Siding project, which occurred earlier in the FY than anticipated. The variance will be resolved as the FY continues.

## 91 Express Lanes Program

**Operating Revenue**

\$8.8M YTD Budget

\$74.3M  
Annual Budget**Operating Expense**

\$5.1M YTD Budget

\$74.3M  
Annual Budget

The 91 Express Lanes Program operating revenue of \$12 million exceeded the budget by \$3.2 million, primarily due to higher than anticipated traffic volumes (\$2.6 million). After budgeting conservatively due to the coronavirus, volumes have rebounded faster than anticipated. The remainder is due to larger than anticipated earnings on investments which benefitted from higher than anticipated performance. Operating expenses of \$3.5 million underran by \$1.6 million, primarily due to as-needed expenses associated with toll road account servicing, legal services, and equipment maintenance.

**Capital Revenue**

\$0.2M YTD Budget

\$7.7M  
Annual Budget**Capital Expense**

\$0.2M YTD Budget

\$7.7M  
Annual Budget

Capital revenue for the 91 Express Lanes of \$0.2 million was in line with the budget. Capital expenses slightly underran the budget due to the lack of need for transponders. During the quarter, the 91 Express Lanes Program had enough transponders on hand. The switchable transponder is still available to customers until the transition to new 6C technology sticker transponders is complete, which is anticipated later in the FY.

## Motorist Services Program



## Operating Revenue



## Operating Expense

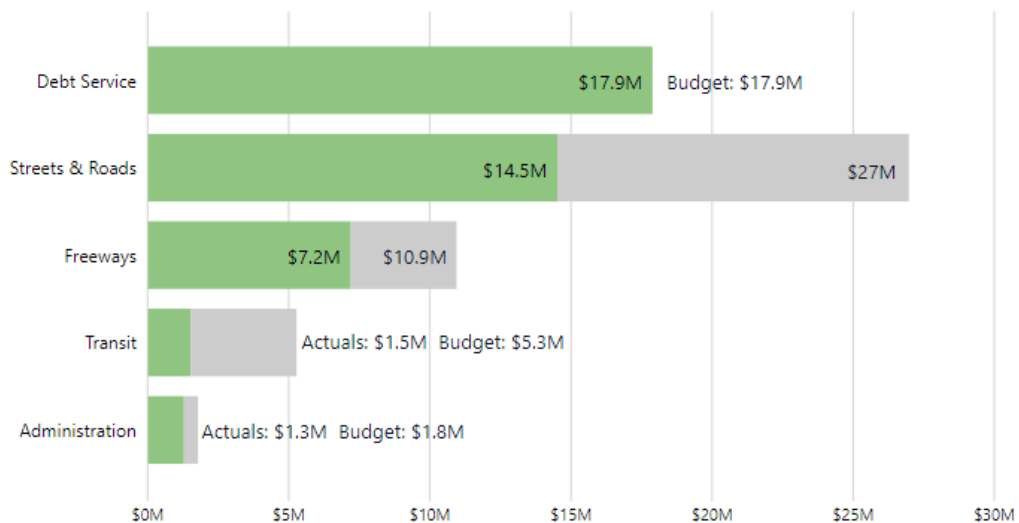


Motorist Services Program revenue slightly underran the budget but is anticipated to be in line with the budget by the end of the FY. Expenses for the program of \$1 million underran the budget by \$0.4 million due to lower fuel cost for contracted tow service for the Freeway Service Patrol Program. Fuel cost for this program is variable, and due to lower fuel costs, invoices received were lower than anticipated.

## Measure M2 Program



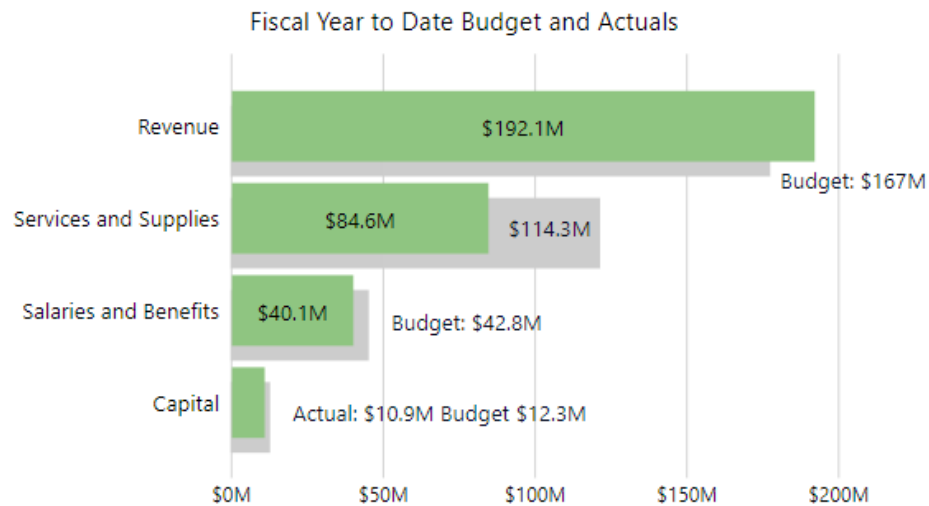
## Budget and Actuals by Mode



Total expenses for the M2 Program of \$42.4 million underran the budget by \$20.4 million, primarily due to lower than anticipated project payment requests from the cities for the Regional Capacity Program (\$10.7 million), Community Based Transit/Circulator Program (\$3 million), and Environmental Cleanup Program (\$1.5 million). Additionally, there were less right-of-way expenditures

through the first quarter for the Interstate 405 (I-405) Improvement Project (\$2.5 million).

### Summary



Overall, revenue of \$192.1 million exceeded the budget by \$22.1 million, primarily due to interest on investments (\$8 million), LTA sales tax receipts (\$6.3 million), and LTF sales tax receipts (\$5 million).

Services and supplies expenses of \$84.5 million underran the budget by \$29.7 million, primarily due to an underrun in contributions to local agencies based on less project payment requests for competitive M2 programs.

Capital expenses of \$10.9 million underran the budget by \$1.4 million, primarily due to less right-of-way expenses in the first quarter for the I-405 Improvement Project under the M2 Program.

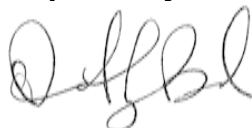
Salaries and benefits of \$40.1 million underran the budget by \$2.7 million, due to vacancies, primarily in the coach operator and administrative groups.

---

***Attachment***

A. FY 2020-21 First Quarter Budget Status Summary

**Prepared by:**



Anthony Baruch  
Section Manager,  
Financial Planning and Analysis  
(714) 560-5332

**Approved by:**

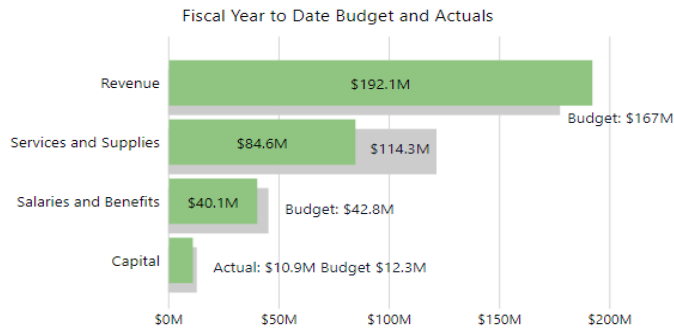
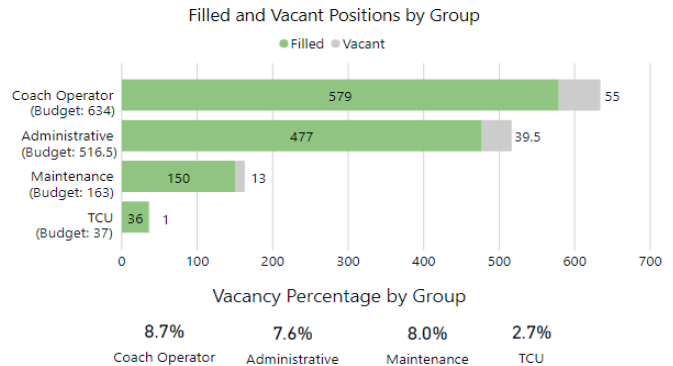
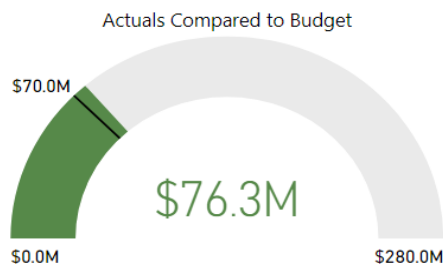
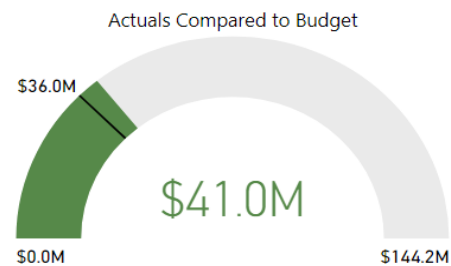
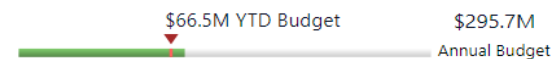
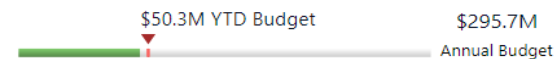


Andrew Oftelie  
Chief Financial Officer,  
Finance and Administration  
(714) 560-5649



## FY 2020-21 First Quarter Budget Status Summary

● Budget ● Within Budget ● Within 5% Variance ● Over 5% Variance

**Total Authority****Staffing****Sales Tax Receipts****LTA****LTE****Major Operating Programs****Bus Program****Operating Revenue****Capital Revenue****Operating Expense****Capital Expense****Rail Program****Operating Revenue****Capital Revenue****Operating Expense****Capital Expense****91 Express Lanes Program****Operating Revenue****Capital Revenue****Operating Expense****Capital Expense****Motorist Services Program****Operating Revenue****Operating Expense**



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Orange County Transportation Authority Investment and Debt Programs Report – November 2020

Finance and Administration Committee Meeting of January 13, 2021

**Present:** Directors Do, Hennessey, Hernandez, Jones, and Muller

**Absent:** None

**Committee Vote**

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

**Staff Recommendation**

Receive and file as an information item.



**January 13, 2021**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Orange County Transportation Authority Investment and Debt Programs Report – November 2020

### **Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending November 30, 2020. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

As of November 30, 2020, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2.1 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, the short-term portfolio for future budgeted expenditures, and the bond proceeds portfolio to meet Measure M2 (M2) transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

The weighted average book yield for the OCTA portfolio is 1.4 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.



OCTA's month-end balance in the Local Agency Investment Fund was \$10,922,718, with an average monthly effective yield of 0.6 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$11,472,047. For the month of October, the monthly gross yield for the OCIP was 1 percent. Yields for the month of November will be received in December.

During the month of November, two securities held within OCTA's investment portfolio were downgraded. The total number of securities on the Negative Credit Watch list decreased from five to three securities for the month. Please refer to A-8 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details. As of November 30, 2020, the securities reflected on A-8 still meet the minimum ratings requirements set forth by OCTA's Investment Policy.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan. The debt program currently has an outstanding principal balance of \$1 billion as of November 30, 2020. Approximately 63 percent of the outstanding balance is comprised of M2 debt, nine percent is associated with the 91 Express Lanes Program, and 29 percent is for the TIFIA Loan.

### ***Summary***

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending November 30, 2020.

### ***Attachments***

- A. Orange County Transportation Authority Investment and Debt Programs – For the Period Ending November 30, 2020.
- B. Orange County Transportation Authority Portfolio Listing as of November 30, 2020

**Prepared by:**



Robert Davis  
Department Manager  
Treasury/Public Finance  
(714) 560-5675

**Approved by:**



Andrew Oftelie  
Chief Financial Officer  
Finance and Administration  
(714) 560-5649

**Treasury/Public Finance Department's  
Report On**

**Orange County Transportation Authority  
Investment and Debt Programs**



**Presented to the  
Finance and Administration Committee**

**For The Period Ending  
November 30, 2020**

# INVESTMENT PROGRAM

# OCTA Investment Dashboard

11/30/2020

## Safety of Principal

**Securities that fell below OCTA's minimum credit quality requirements during the month of November 2020:**  
Not applicable.

**Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:**

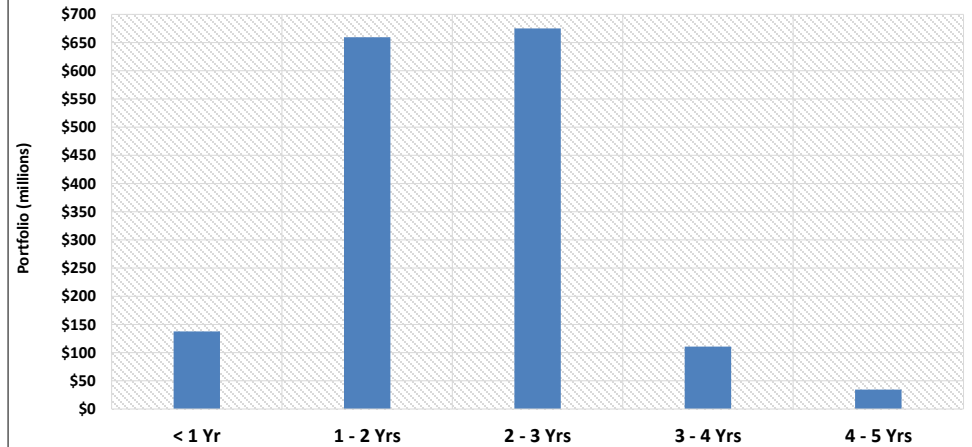
On Thursday, February 20, 2020, Moody's downgraded the long-term debt rating of Nissan to Baa1 from A3. OCTA holds three high quality AAA Nissan Auto/Lease asset backed security positions, respectively 0.3%, 0.4% and 0.6% of the portfolio. However, for asset backed securities, receivables are sold via a legal concept called "true sale" into a bankruptcy-remote issuing trust, therefore isolated from the financial health of the issuer. There has been no negative price action on the asset backed securities on news of the downgrade. The Treasurer reviewed the position and recommended the securities be held for the short-term. The Treasurer presented his recommendation to the Deputy Chief Executive Officer who concurred.

**Securities downgraded or placed on Negative Credit Watch during the month of November 2020, but remain in compliance with OCTA's Investment Policy:**

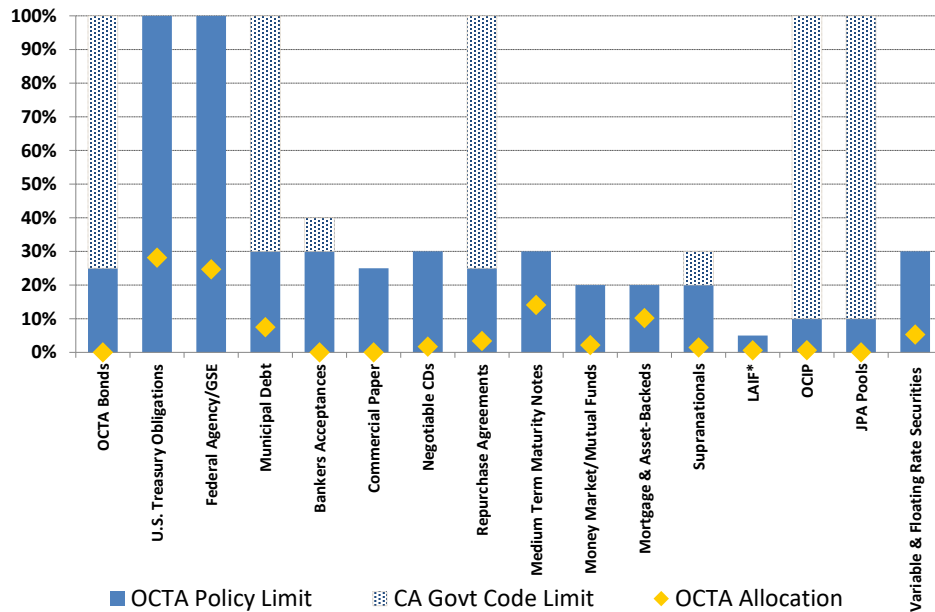
Two securities held within OCTA's investment portfolio were downgraded during the month. The total number of securities on the Negative Credit Watch list decreased from five to three securities for the month.

For further details please refer to A-8 of this report.

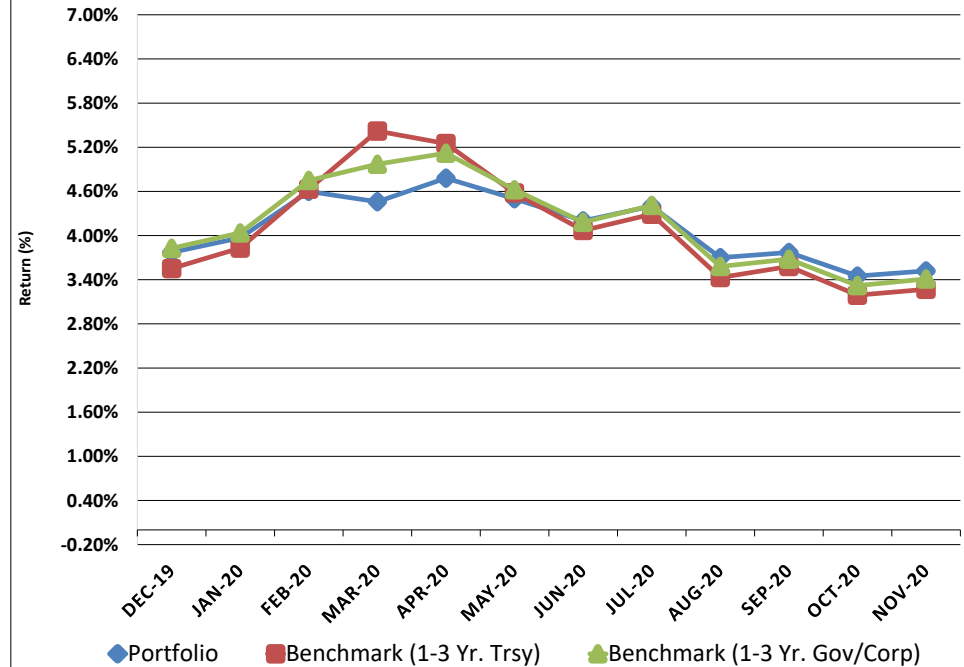
## Portfolio Liquidity



## Portfolio Diversification



## Portfolio Return - 12 Month



\*Per CA Government Code LAIF limit is \$75 million

# Investment Compliance

11/30/2020

Portfolio Subject to Investment Policy			
Short-Term/Liquid Portfolio <sup>1</sup>	Dollar Amount Invested	Percent Of Portfolio	Investment Policy Maximum Percentages
U.S. Treasury Obligations	\$ 486,761,153	28.2%	100%
Federal Agency/GSE	426,831,489	24.7%	100%
Municipal Debt	129,673,915	7.5%	30%
Commercial Paper	-	0.0%	25%
Negotiable Certificates of Deposit	29,800,000	1.7%	30%
Repurchase Agreements	58,678,901	3.4%	25%
Medium Term Maturity Notes/Corporates	243,486,849	14.1%	30%
Money Market/Mutual Funds	37,416,742	2.2%	20%
Mortgage & Asset-Backed	176,376,867	10.2%	20%*
Supranationals	25,584,395	1.5%	20%
Local Agency Investment Fund	10,922,718	0.6%	\$ 75 Million
Orange County Investment Pool	11,472,047	0.7%	10%
Joint Powers Authority Pools	-	0.0%	10%
Bank Deposits	250,000	0.0%	5%
Variable & Floating Rate Securities	91,428,316	5.3%	30%
<b>Total Short-Term/Liquid Portfolio</b>	<b>\$ 1,728,683,391</b>	<b>100.0%</b>	

1. Excludes portion of Liquid Portfolio subject to Indenture

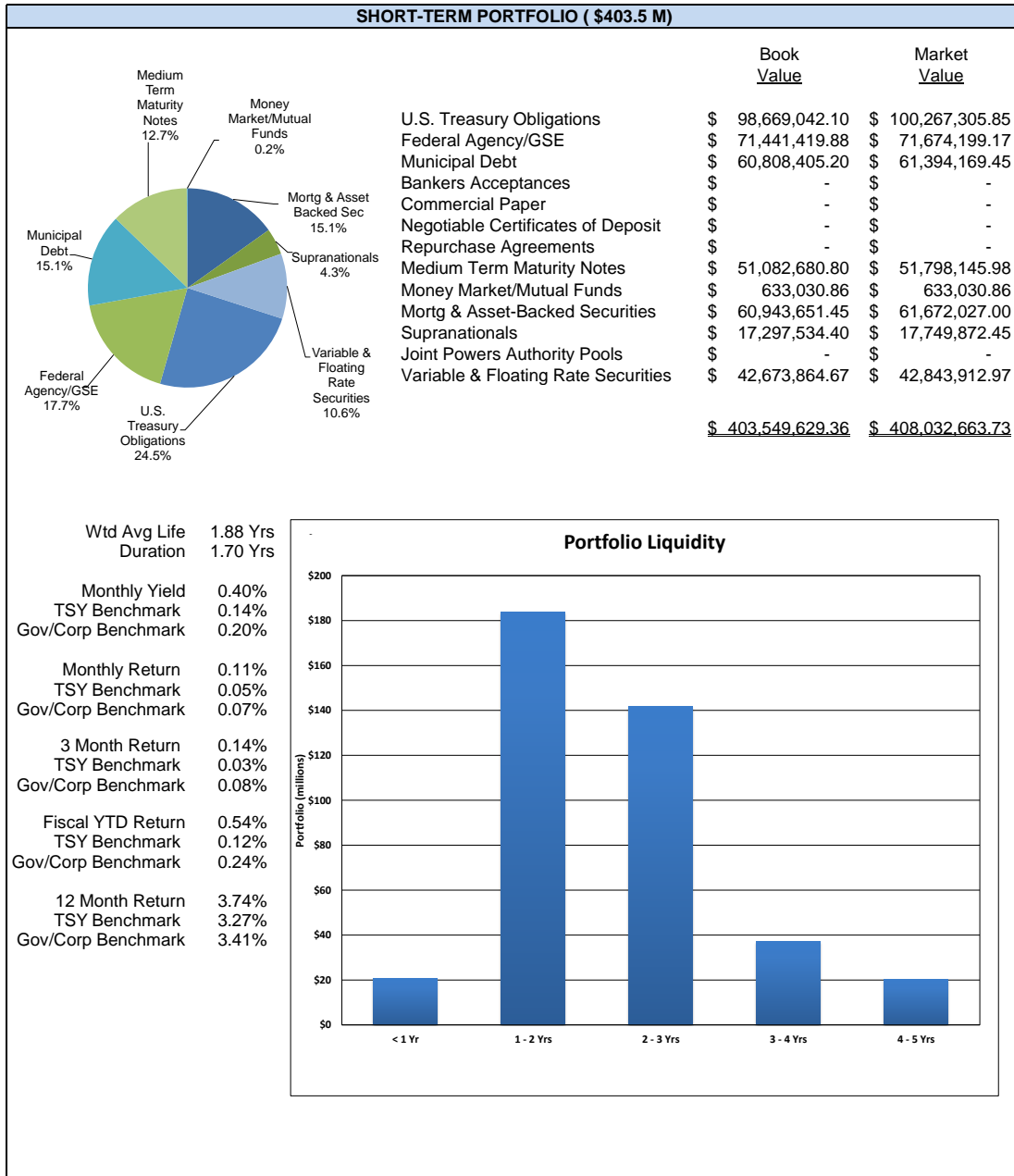
\*Asset-backed securities, excluding mortgages, may not exceed 10 percent of the allocation

Portfolio Subject to Indenture						
	Dollar Amount Invested	Credit Quality	OCTA Term	Indenture Requirements		
				Credit Quality	Term	
<b>Liquid Portfolio*</b>						
Money Market Funds	\$ 67,806,064	AAA/Aaa	45 days	Min. A2/A	Max. 4 years	
<b>Bond Proceeds Portfolio</b>						
Money Market Funds	\$ 131,801,475	AAA/Aaa	45 days	Min. A2/A	Max. 4 years	
Commercial Paper	\$ 14,991,375	P-1/F-1/A-1	60-90 days	Min. A2/A	Max. 4 years	
Guaranteed Investment Contract	83,650,000	Aa2/AA-/A+	N/A	Min. A3/A-	N/A	
<b>Total Bond Proceeds Portfolio</b>	<b>\$ 230,442,850</b>					
<b>Reserve Funds Portfolio</b>						
Commercial Paper	\$ 25,075,604	P-1/F-1	60-90 days	Min. A-1/P-1	Max. 180 days	
Bank Deposits	\$ 213,077					
US Treasuries Obligations	957	AAA/Aaa	30 days	Min. A2/A	Max. 5 years	
<b>Total Reserve Funds Portfolio</b>	<b>\$ 25,289,637</b>					
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 255,732,487</b>					
<b>Portfolio Total</b>	<b>\$ 2,052,221,942</b>					

\*Reflects portion of Liquid Portfolio subject to Indenture

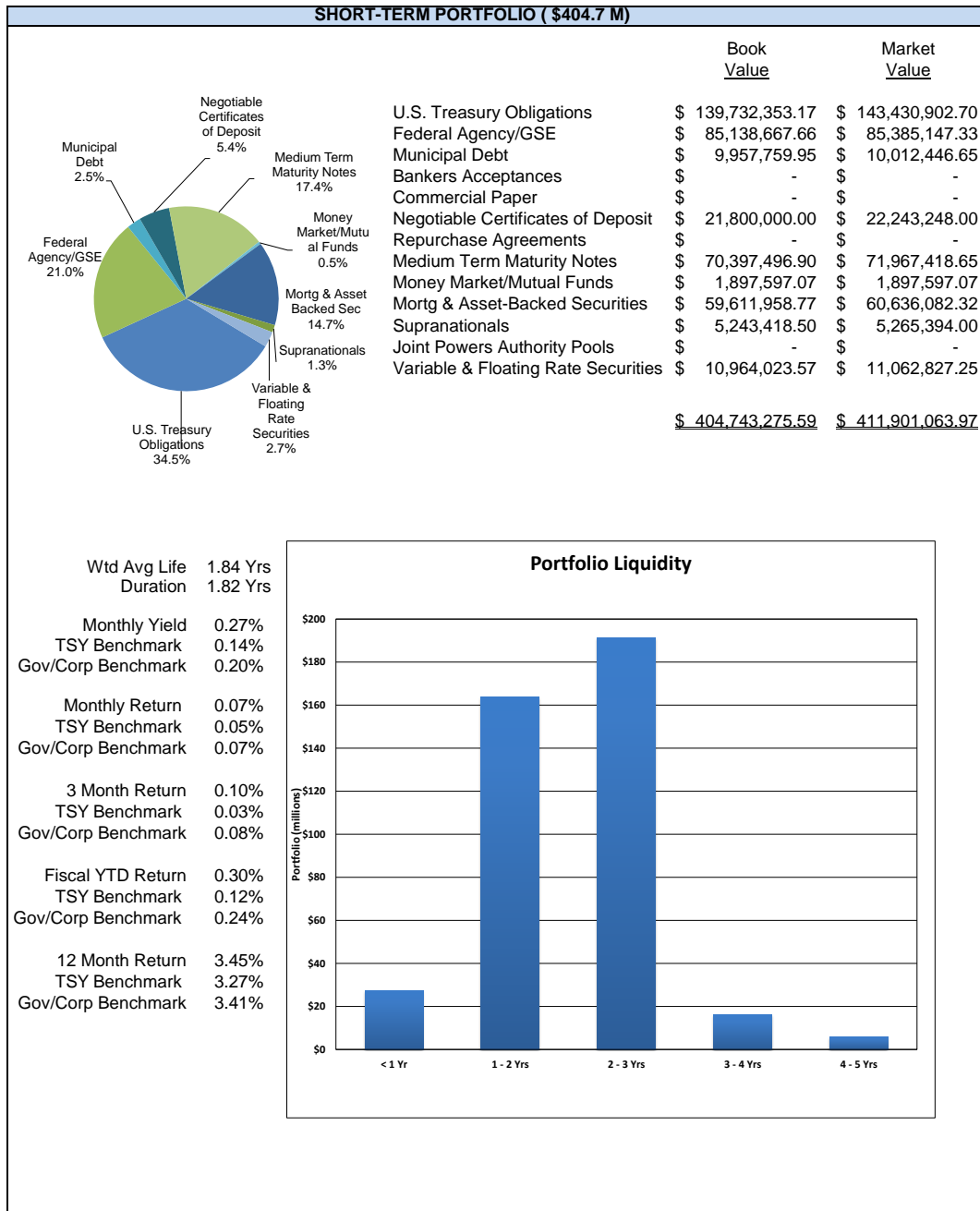
## Investment Manager Diversification and Maturity Schedules

**MetLife Investment Management**  
11/30/2020



## Investment Manager Diversification and Maturity Schedules

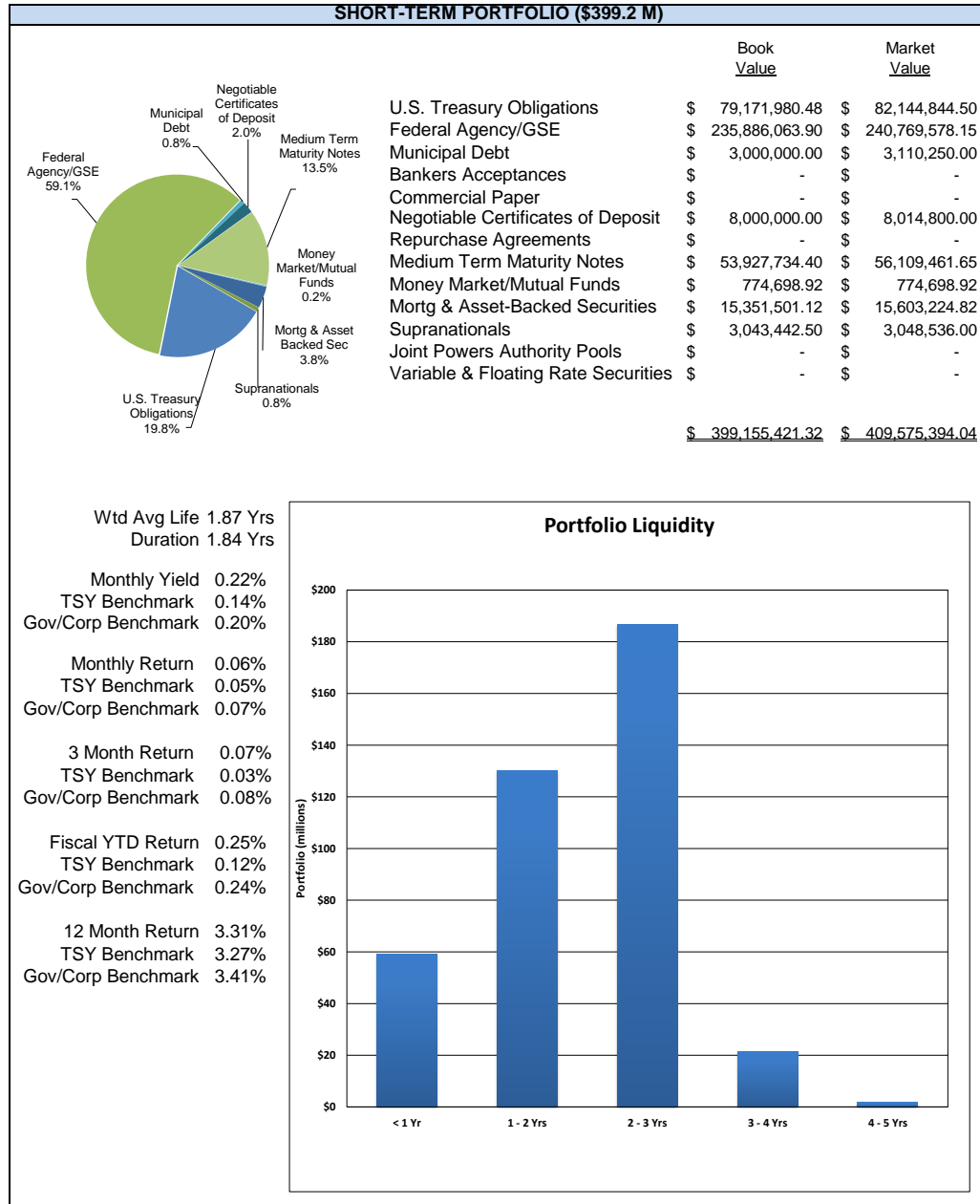
**PFM**  
11/30/2020



# Investment Manager Diversification and Maturity Schedules

## Chandler Asset Management

11/30/2020

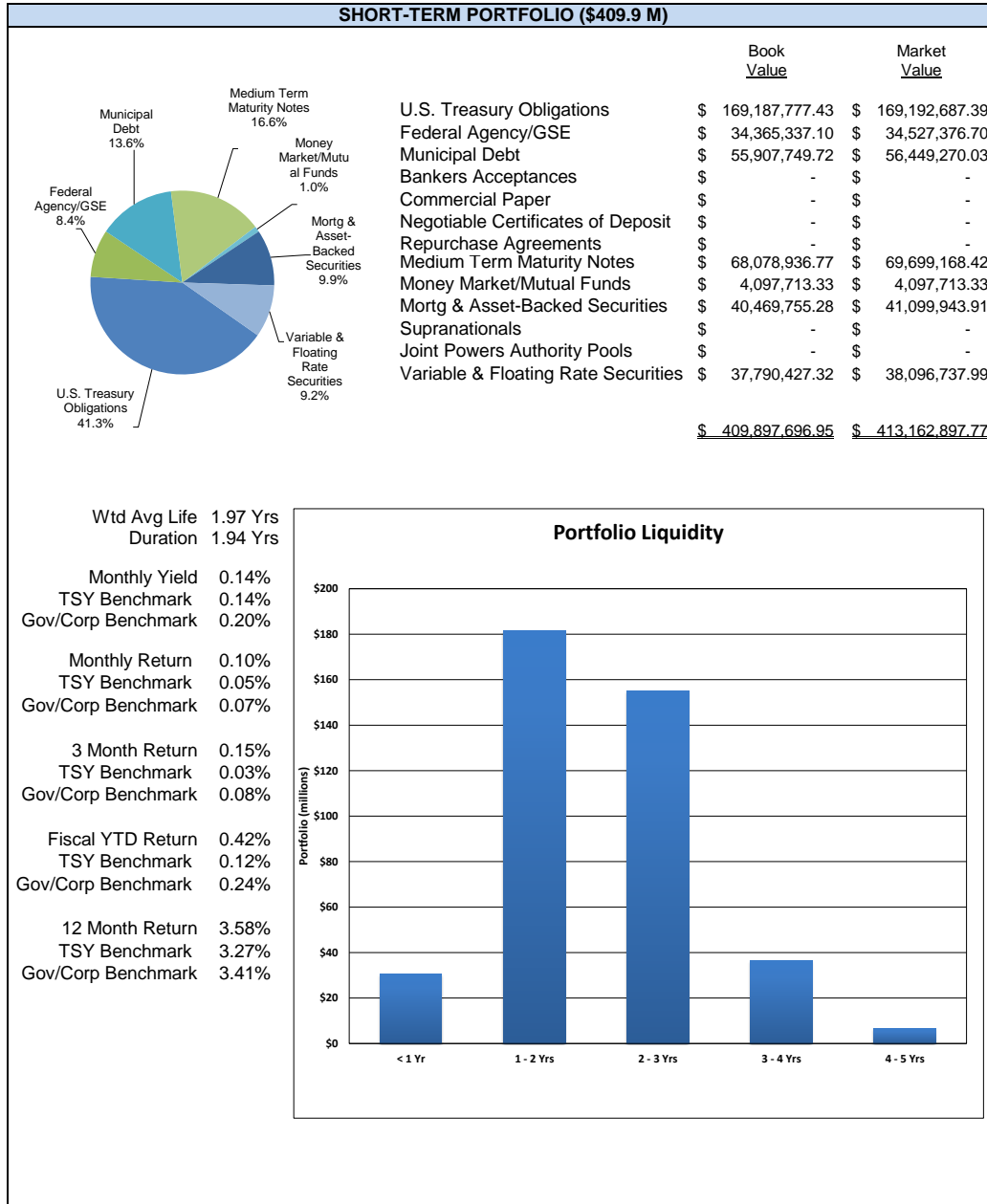




# Investment Manager Diversification and Maturity Schedules

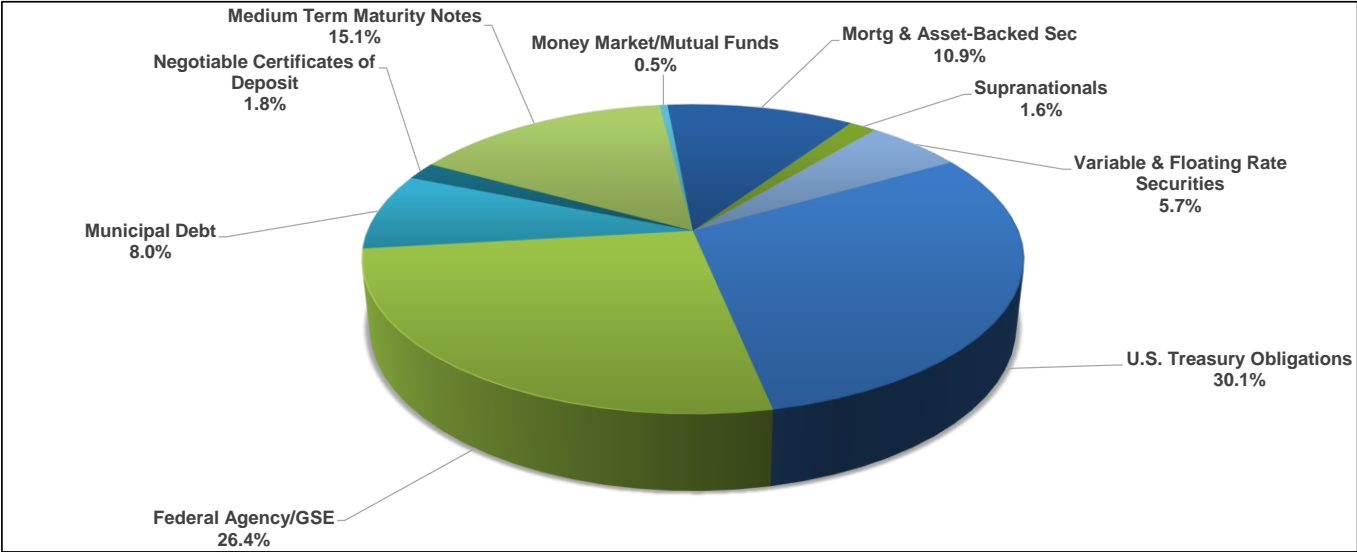
**Payden & Rygel**

11/30/2020

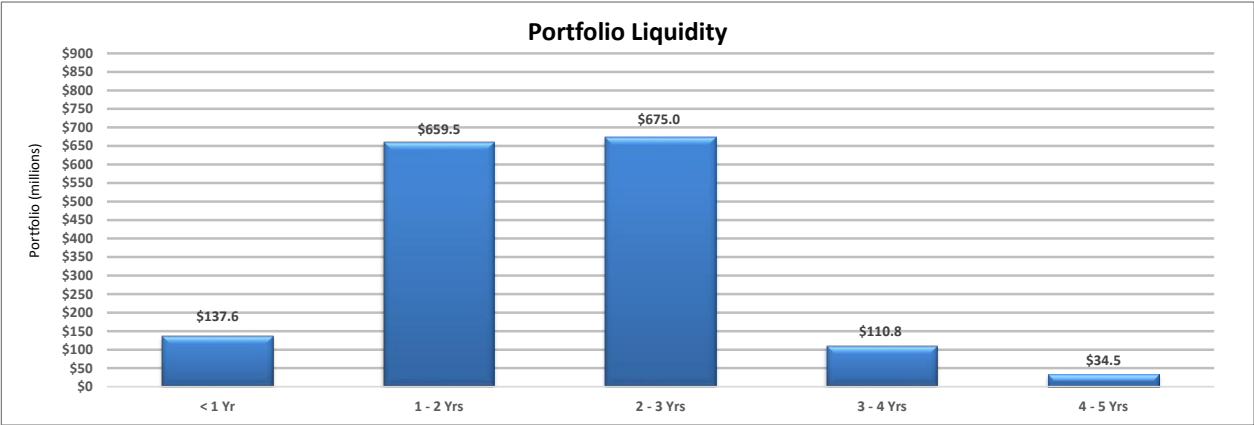


Short-Term Portfolio  
11/30/2020

Portfolio Composition



Portfolio Liquidity



# Rating Downgrades & Negative Credit Watch

## 11/30/2020

<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
<b>Rating Downgrades:</b>					
<b>PFM</b>					
<b>Pfizer</b> On November 16, 2020, S&P and Moody's downgraded the long-term ratings of Pfizer Inc. from AA- and A1 to A+ and A2 respectively. The downgrade is due to Pfizer's divestiture of its mature off-patent Upjohn business segment, removing a stable, recurring earnings stream. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Pfizer's product diversification and vast revenue streams.	\$ 2,300,000	Various*	A+	A2	A
<b>Walt Disney Co.</b> On November 18, 2020, S&P downgraded the long-term ratings of Disney from A- to BBB+. The downgrade is due to the impact COVID-19 continues to have on a variety of Disney's operations, in particular their theme parks, and movie studio operations. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Disney's diverse business and assets.	\$ 875,000	9/1/2022	BBB+	A2	A
<b>Negative Credit Watch:</b>					
<b>PFM</b>					
<b>Merck &amp; Co.</b> On February 5, 2020, S&P placed the long-term ratings of Merck & Co. under review for possible downgrade. The credit watch placement is due to Merck's announcement that it will be spinning off a large portion of their brand. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to the industry strength of Merck, and their vast pharmaceutical diversification.	\$ 1,250,000	2/10/2022	AA-	A1	A+
<b>Port Authority of New York &amp; New Jersey</b> On June 26, 2020, Fitch placed the long-term ratings of the Port Authority under review for possible downgrade. The credit watch placement reflects elevated stresses to both the agency's operating activities and revenue generation as a result of COVID-19. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to expectations of long-term revenue recoveries.	\$ 1,125,000	7/1/2023	A+	Aa3	AA-
<b>Payden &amp; Rygel</b> Southern CA Public Power Authority On September 11, 2020, S&P placed the long-term ratings of the Southern CA Public Power Authority (SCAPPA) under review for possible downgrade. The credit watch placement is due to the weakening of one of the project participants, the City of Anaheim, this weakening comes as a result of implications from COVID-19, and its impacts on the tourism and hospitality industries. The security remains in compliance with the requirements of the Investment Policy. Based on the fundamental value of the utility itself as well as the inherent value of the bond the manager is comfortable holding the security.	\$ 2,735,000	7/1/2023	AA-	N/A	AA-

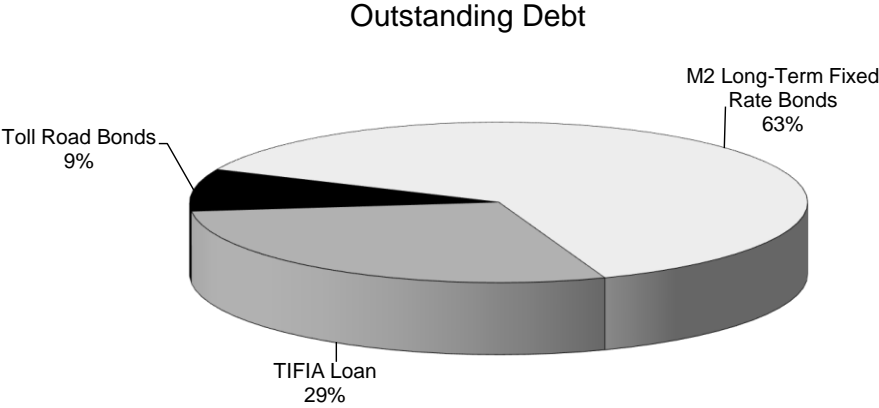
\*9/15/21 & 3/11/22

# **DEBT PROGRAM**

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2017 TIFIA Loan (I-405))

**Total Outstanding Debt\***  
**As of 11/30/20**

---



**TOTAL OUTSTANDING DEBT:     \$998,955,000**

\*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 TIFIA Loan (I-405)) currently outstanding and irrespective of OCTA's investment program.

# Outstanding Debt\*

## As of 11/30/20

### Orange County Local Transportation Authority (OCLTA-M2)

#### 2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$	293,540,000
Outstanding:		250,000,000
Debt Service FY 2021:		17,270,000
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AA+
Final Maturity:		2041

#### 2019 M2 Sales Tax Bond

Issued:	\$	376,690,000
Outstanding:		376,690,000
Debt Service FY 2021:		26,569,650
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ S&P):		AA+/AA+
Final Maturity:		2041

### 91 Express Lanes

#### 2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	124,415,000
Outstanding:		85,265,000
Debt Service FY 2021:		10,795,075
Pledged Revenue Source:	91 Toll Road Revenues	
Ratings (Fitch/ Moody's/ S&P):		A+/A1/AA-
Final Maturity:		2030

### 405 Express Lanes

#### 2017 TIFIA Loan

Outstanding:	\$	287,000,000
Accrued Interest:		19,560,223
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's):		Baa2
Final Maturity:		2057

\*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 TIFIA Loan (I-405)) currently outstanding and irrespective of OCTA's investment program.

**Orange County Transportation Authority  
Portfolio Listing  
As of November 30, 2020**

LIQUID PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>CASH EQUIVALENTS</u>				
BANK DEPOSITS	11/30/2020	250,000.00	250,000.00	
REPURCHASE AGREEMENT	11/30/2020	58,678,901.00	58,678,901.00	
MONEY MARKET DEMAND ACCOUNT	N/A	30,013,701.61	30,013,701.61	0.25%
FIDELITY TREASURY OBLIGATIONS FUND	N/A	46,274,622.12	46,274,622.12	0.01%
FEDERATED TREASURY OBLIGATIONS FUND	N/A	21,531,441.45	21,531,441.45	0.01%
SUB-TOTAL		156,748,666.18	156,748,666.18	
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>				
	N/A	10,922,718.11	10,922,718.11	0.58%
<u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u>				
	N/A	11,472,047.08	11,472,047.08	0.96%
<b>LIQUID PORTFOLIO - TOTAL</b>		<b>\$ 179,143,431.37</b>	<b>\$ 179,143,431.37</b>	
SHORT-TERM PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>Money Market Funds</u>				
FIRST AMER:GVT OBLG Z	11/30/2020	1,897,597.07	1,897,597.07	0.03
FIRST AMER:GVT OBLG Z	11/30/2020	774,698.92	774,698.92	0.03
FIRST AMER:GVT OBLG Z	11/30/2020	4,097,713.33	4,097,713.33	0.03
FIRST AMER:GVT OBLG Z	11/30/2020	633,030.86	633,030.86	0.03
SUB-TOTAL		7,403,040.18	7,403,040.18	
<u>NEGOTIABLE CERTIFICATES OF DEPOSIT</u>				
Credit Suisse AG, New York Branch	2/1/2022	3,100,000.00	3,102,077.00	0.46
DNB Bank ASA, New York Branch	12/2/2022	3,875,000.00	4,000,007.50	0.44
Nordea Bank Abp, New York Branch	8/26/2022	3,875,000.00	3,990,591.25	0.15
Skandinaviska Enskilda Banken AB (publ.)	8/26/2022	3,875,000.00	3,991,443.75	0.15
Societe Generale, New York Branch	2/14/2022	4,000,000.00	4,082,960.00	0.08
Sumitomo Mitsui Banking Corporation, New York Bra	7/8/2022	3,075,000.00	3,076,168.50	0.67
Royal Bank of Canada New York Branch	2/19/2021	8,000,000.00	8,014,800.00	0.18
SUB-TOTAL		29,800,000.00	30,258,048.00	
<u>U.S. TREASURY OBLIGATIONS</u>				
UNITED STATES TREASURY	7/31/2022	4,097,668.75	4,207,423.90	0.15
UNITED STATES TREASURY	7/31/2022	7,004,300.00	7,324,415.20	0.15
UNITED STATES TREASURY	7/31/2022	6,005,625.00	6,172,260.00	0.15
UNITED STATES TREASURY	7/31/2022	5,216,656.25	5,349,292.00	0.15
UNITED STATES TREASURY	9/30/2022	7,534,603.16	7,798,896.00	0.15
UNITED STATES TREASURY	10/31/2022	5,360,733.97	5,580,967.70	0.15
UNITED STATES TREASURY	2/28/2023	5,538,052.36	5,845,974.20	0.16
UNITED STATES TREASURY	2/15/2022	9,389,351.56	9,671,002.00	0.11
UNITED STATES TREASURY	4/15/2022	6,003,750.00	6,174,360.00	0.13
UNITED STATES TREASURY	12/31/2022	4,326,890.63	4,528,263.00	0.15
UNITED STATES TREASURY	12/31/2022	6,439,408.22	6,860,058.20	0.15
UNITED STATES TREASURY	1/31/2023	1,253,320.31	1,293,062.50	0.16
UNITED STATES TREASURY	1/31/2023	2,911,894.53	2,999,905.00	0.16
UNITED STATES TREASURY	3/31/2023	15,308,789.06	15,467,550.00	0.16
UNITED STATES TREASURY	6/30/2023	4,097,187.50	4,124,360.00	0.17
UNITED STATES TREASURY	11/15/2022	3,995,937.50	4,115,800.00	0.14
UNITED STATES TREASURY	1/31/2022	5,803,342.97	6,030,977.70	0.12
UNITED STATES TREASURY	2/28/2022	1,006,718.75	1,021,760.00	0.13
UNITED STATES TREASURY	4/30/2022	633,273.05	645,504.30	0.14
UNITED STATES TREASURY	4/30/2022	1,974,765.63	2,049,220.00	0.14
UNITED STATES TREASURY	5/31/2022	9,031,289.06	9,219,420.00	0.12
UNITED STATES TREASURY	6/30/2022	2,010,156.25	2,050,940.00	0.14
UNITED STATES TREASURY	10/15/2022	745,312.50	767,137.50	0.15
UNITED STATES TREASURY	1/15/2023	2,713,289.06	2,776,680.00	0.16
UNITED STATES TREASURY	1/15/2023	4,101,875.00	4,113,600.00	0.16
UNITED STATES TREASURY	5/15/2023	2,192,093.75	2,198,020.00	0.16
UNITED STATES TREASURY	6/15/2023	4,003,281.25	4,008,280.00	0.17
UNITED STATES TREASURY	6/15/2023	1,051,927.73	1,052,173.50	0.17
UNITED STATES TREASURY	10/15/2023	9,980,859.38	9,983,600.00	0.18
UNITED STATES TREASURY	7/31/2022	6,061,226.56	6,378,002.00	0.15
UNITED STATES TREASURY	3/15/2021	7,598,515.63	7,650,464.00	0.08
UNITED STATES TREASURY	8/31/2022	4,470,357.42	4,790,058.00	0.15
UNITED STATES TREASURY	8/31/2022	2,874,960.94	3,090,360.00	0.15
UNITED STATES TREASURY	11/30/2022	7,718,648.44	8,086,728.00	0.16
UNITED STATES TREASURY	4/30/2023	5,234,208.98	5,434,957.50	0.16
UNITED STATES TREASURY	5/31/2023	7,787,187.50	8,290,320.00	0.17
UNITED STATES TREASURY	10/31/2023	8,007,187.50	8,336,560.00	0.18
UNITED STATES TREASURY	6/30/2022	4,329,843.75	4,614,615.00	0.14
UNITED STATES TREASURY	8/15/2022	6,983,046.88	7,162,680.00	0.14
UNITED STATES TREASURY	10/15/2022	7,957,187.50	8,182,800.00	0.15
UNITED STATES TREASURY	2/28/2022	10,149,609.38	10,127,300.00	0.10
UNITED STATES TREASURY	8/31/2022	19,244,736.33	19,244,802.50	0.14
UNITED STATES TREASURY	8/31/2022	29,954,148.44	29,951,910.80	0.14
UNITED STATES TREASURY	8/31/2022	14,477,737.50	14,476,090.40	0.14
UNITED STATES TREASURY	8/31/2022	2,540,107.73	2,539,314.20	0.14
UNITED STATES TREASURY	8/31/2022	4,134,676.67	4,133,883.55	0.14
UNITED STATES TREASURY	8/31/2022	43,457,305.09	43,457,797.36	0.14
UNITED STATES TREASURY	9/15/2023	4,069,544.06	4,067,970.48	0.18
UNITED STATES TREASURY	9/15/2023	4,131,931.05	4,128,880.20	0.18
UNITED STATES TREASURY	9/15/2023	3,826,058.86	3,823,532.78	0.18
UNITED STATES TREASURY	9/15/2023	4,027,178.58	4,024,834.42	0.18
UNITED STATES TREASURY	9/15/2023	2,345,410.16	2,346,522.00	0.18
UNITED STATES TREASURY	9/15/2023	2,121,430.66	2,121,855.00	0.18
UNITED STATES TREASURY	9/30/2022	1,754,588.67	1,754,455.95	0.14
UNITED STATES TREASURY	9/30/2022	6,826,264.84	6,827,882.70	0.14
UNITED STATES TREASURY	9/30/2022	4,217,197.66	4,218,691.80	0.14
UNITED STATES TREASURY	10/15/2023	18,576,461.13	18,584,471.40	0.18
UNITED STATES TREASURY	11/15/2023	3,483,000.00	3,489,791.85	0.18
UNITED STATES TREASURY	4/15/2023	988,731.72	1,012,238.42	-1.21
UNITED STATES TREASURY	4/15/2023	1,013,289.32	1,039,596.22	-1.21
UNITED STATES TREASURY	4/15/2024	160,163.94	76,600.33	-1.25
UNITED STATES TREASURY	4/15/2024	3,882,783.52	4,054,345.87	-1.25
UNITED STATES TREASURY	4/15/2024	1,940,782.00	2,018,965.76	-1.25
UNITED STATES TREASURY	5/15/2022	156,683.20	159,487.25	0.14
UNITED STATES TREASURY	5/15/2022	2,026,093.75	2,057,900.00	0.14
UNITED STATES TREASURY	5/15/2022	5,901,964.06	5,998,778.50	0.14
UNITED STATES TREASURY	5/15/2022	8,869,816.41	8,982,733.50	0.14
UNITED STATES TREASURY	5/15/2022	1,979,554.69	2,006,452.50	0.14

**Orange County Transportation Authority**  
**Portfolio Listing**  
**As of November 30, 2020**

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	9/30/2022	3,799,773.44	3,886,173.75	0.14
UNITED STATES TREASURY	9/30/2022	9,392,172.66	9,615,063.00	0.14
UNITED STATES TREASURY	9/30/2022	7,699,007.81	7,875,292.50	0.14
UNITED STATES TREASURY	9/30/2022	10,407,680.66	10,629,071.25	0.14
UNITED STATES TREASURY	9/30/2022	4,212,140.63	4,323,690.00	0.14
UNITED STATES TREASURY	10/15/2022	6,859,031.25	7,057,665.00	0.15
UNITED STATES TREASURY	10/15/2022	3,944,908.20	4,040,257.50	0.15
UNITED STATES TREASURY	3/15/2023	4,087,313.28	4,086,223.50	0.16
UNITED STATES TREASURY	3/15/2023	5,110,995.70	5,109,039.00	0.16
UNITED STATES TREASURY	3/15/2023	3,678,658.20	3,678,105.00	0.16
UNITED STATES TREASURY	3/15/2023	4,132,031.25	4,131,570.00	0.16
UNITED STATES TREASURY	3/15/2023	2,821,000.00	2,821,560.00	0.16
UNITED STATES TREASURY	3/15/2023	614,622.66	614,697.00	0.16
UNITED STATES TREASURY	10/15/2023	4,989,843.75	4,991,800.00	0.18
<b>SUB-TOTAL</b>		<b>486,761,153.18</b>	<b>495,035,740.44</b>	
<b>FEDERAL AGENCY/GSE</b>				
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	6,996,640.00	7,012,110.00	0.14
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	8,160,363.15	8,191,793.55	0.22
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	7,758,283.75	7,777,254.75	0.24
FEDERAL HOME LOAN MORTGAGE CORP	4/20/2023	7,526,137.50	7,578,650.70	0.19
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,146,997.00	7,184,534.50	0.18
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,383,377.40	7,412,405.00	0.21
FEDERAL HOME LOAN MORTGAGE CORP	7/25/2022	4,963,756.50	4,971,816.00	0.16
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	9,190,616.00	9,202,852.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,275,963.27	5,278,428.75	0.23
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	6,997,690.00	7,004,550.00	0.23
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	3,088,437.00	3,091,940.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	1,991,720.00	1,994,800.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	8,192,620.00	8,199,754.00	0.25
FHMS K-727 A1	10/25/2023	466,066.09	484,258.08	0.60
FEDERAL HOME LOAN BANKS	9/8/2023	4,135,800.00	4,234,840.00	0.25
FEDERAL HOME LOAN BANKS	9/8/2023	4,104,600.00	4,234,840.00	0.25
FEDERAL HOME LOAN BANKS	3/8/2024	5,201,750.00	5,256,800.00	0.30
FEDERAL HOME LOAN BANKS	3/10/2023	5,053,550.00	5,289,550.00	0.20
FEDERAL HOME LOAN BANKS	6/10/2022	4,988,900.00	5,198,800.00	0.14
FEDERAL HOME LOAN BANKS	12/9/2022	7,058,660.00	7,395,430.00	0.20
FEDERAL HOME LOAN BANKS	3/11/2022	3,046,221.55	3,165,487.65	0.21
FEDERAL HOME LOAN BANKS	3/11/2022	1,160,218.50	1,205,655.75	0.21
FEDERAL HOME LOAN BANKS	6/9/2023	3,977,720.00	4,191,040.00	0.23
FEDERAL HOME LOAN BANKS	6/9/2023	4,029,880.00	4,191,040.00	0.23
FEDERAL HOME LOAN BANKS	9/9/2022	6,828,560.00	7,155,232.00	0.18
FEDERAL HOME LOAN BANKS	9/10/2021	2,515,300.00	2,556,125.00	0.11
FEDERAL HOME LOAN BANKS	9/10/2021	5,006,250.00	5,112,250.00	0.11
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/17/2021	6,022,920.00	6,164,760.00	0.17
FEDERAL FARM CREDIT BANKS FUNDING CORP	3/1/2021	6,965,140.00	7,042,210.00	0.11
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2021	7,034,930.00	7,198,310.00	0.09
FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2023	5,060,200.00	5,343,700.00	0.25
FEDERAL FARM CREDIT BANKS FUNDING CORP	6/26/2023	6,967,450.00	7,281,260.00	0.20
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/1/2023	4,996,450.00	5,181,400.00	0.17
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	4,993,550.00	5,186,900.00	0.21
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	7,983,280.00	7,996,160.00	0.22
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/21/2023	5,000,600.00	5,141,400.00	0.18
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/8/2022	7,204,321.80	7,234,552.65	0.17
FEDERAL FARM CREDIT BANKS FUNDING CORP	5/6/2022	8,124,668.55	8,145,656.85	0.16
FEDERAL FARM CREDIT BANKS FUNDING CORP	10/2/2023	4,994,600.00	4,993,100.00	0.25
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	7,995,360.00	8,013,840.00	0.14
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	6,111,548.70	6,135,087.90	0.22
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,203,098.50	3,210,930.90	0.24
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	5,000,300.00	5,001,450.00	0.24
FEDERAL NATIONAL MORTGAGE ASSOCIATION	11/27/2023	1,797,948.00	1,799,658.00	0.26
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	6,815,760.00	7,143,990.00	0.12
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	4,411,710.00	4,708,125.00	0.20
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	2,233,875.00	2,406,375.00	0.20
FEDERAL NATIONAL MORTGAGE ASSOCIATION	4/12/2022	6,370,496.00	6,587,264.00	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION	9/6/2022	3,986,080.00	4,085,840.00	0.16
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	8,248,720.00	8,201,440.00	0.12
FEDERAL HOME LOAN MORTGAGE CORP	2/16/2021	4,986,800.00	5,023,800.00	0.12
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,621,797.50	7,661,828.75	0.18
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,463,143.80	7,492,485.00	0.21
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	8,001,840.00	8,002,480.00	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,098,317.00	5,103,315.00	0.23
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	3,001,860.00	3,001,950.00	0.23
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	6,376,128.00	6,383,360.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	4,705,761.00	4,709,858.70	0.25
FEDERAL HOME LOAN BANKS	8/15/2024	1,087,438.50	1,139,823.90	0.26
FEDERAL HOME LOAN MORTGAGE CORP	12/29/2022	2,349,530.00	2,350,282.00	0.25
FEDERAL HOME LOAN MORTGAGE CORP	7/21/2025	3,680,000.00	3,682,465.60	0.28
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	4,336,906.50	4,353,610.50	0.22
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,741,937.50	3,751,087.50	0.24
FEDERAL NATIONAL MORTGAGE ASSOCIATION	9/6/2022	548,086.00	561,803.00	0.16
FEDERAL HOME LOAN MORTGAGE CORP	4/20/2023	4,179,525.00	4,208,687.40	0.19
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	3,968,378.40	3,983,980.00	0.21
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	3,856,062.80	3,861,196.60	0.24
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	2,809,072.70	2,811,826.50	0.23
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	3,098,399.70	3,101,914.00	0.22
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	8/1/2021	710,000.00	720,699.70	0.31
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,098,470.00	5,097,603.00	0.34
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,839,084.50	5,832,257.55	0.34
FEDERAL HOME LOAN MORTGAGE CORP	7/28/2023	3,100,000.00	3,100,434.00	0.36
FEDERAL HOME LOAN MORTGAGE CORP	7/28/2023	2,050,000.00	2,050,287.00	0.36
FEDERAL HOME LOAN MORTGAGE CORP	8/12/2025	4,095,490.00	4,077,901.00	0.72
FEDERAL HOME LOAN MORTGAGE CORP	9/28/2023	4,084,387.25	4,084,591.50	0.30
FEDERAL HOME LOAN MORTGAGE CORP	9/28/2023	3,999,600.00	3,999,600.00	0.30
FEDERAL HOME LOAN MORTGAGE CORP	10/13/2023	4,097,950.00	4,097,212.00	0.32
FEDERAL HOME LOAN MORTGAGE CORP	11/24/2023	2,035,000.00	2,035,162.80	0.33
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	251,800.00	255,142.50	0.12
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,610,864.00	5,715,192.00	0.12
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,677,685.00	5,766,220.50	0.12
FEDERAL NATIONAL MORTGAGE ASSOCIATION	10/27/2023	6,098,475.00	6,097,133.00	0.32
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,652,771.25	5,715,378.50	0.12
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,663,313.58	5,715,378.50	0.12
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	4,745,155.00	4,751,472.50	0.24
FN 467260	3/1/2021	2,470,926.38	2,419,718.72	3.55
FN 468431	7/1/2021	268,499.29	265,921.38	2.56
FN 468861	8/1/2021	601,948.63	597,592.72	2.15
<b>SUB-TOTAL</b>		<b>426,831,488.54</b>	<b>432,356,301.35</b>	



**Orange County Transportation Authority**  
**Portfolio Listing**  
**As of November 30, 2020**

<u>MEDIUM TERM NOTES</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
	ADOBE INC	2/1/2023	449,383.50	464,062.50	0.25
	AMAZON.COM INC	6/3/2023	2,022,165.00	2,032,452.00	0.25
	AMERICAN EXPRESS CREDIT CORP	5/5/2021	1,998,780.00	2,013,940.00	0.22
	AMERICAN HONDA FINANCE CORP	6/27/2022	3,796,504.00	3,908,072.00	0.39
	APPLE INC	8/4/2021	1,514,951.40	1,591,944.80	0.28
	APPLE INC	9/11/2022	589,899.70	605,375.40	0.23
	APPLE INC	5/11/2023	1,475,974.40	1,497,819.20	0.26
	TRUIST FINANCIAL CORP	9/3/2021	1,198,572.00	1,223,532.00	0.29
	BANK OF NEW YORK MELLON CORP	8/23/2022	1,724,448.00	1,774,749.00	0.28
	BANK OF NEW YORK MELLON CORP	1/27/2023	1,099,230.00	1,134,562.00	0.33
	BRISTOL-MYERS SQUIBB CO	11/13/2023	1,900,000.00	1,903,078.00	0.37
	BURLINGTON NORTHERN SANTA FE LLC	9/15/2021	1,024,930.00	1,016,920.00	0.32
	CATERPILLAR FINANCIAL SERVICES CORP	9/7/2021	374,711.25	383,208.75	0.30
	CATERPILLAR FINANCIAL SERVICES CORP	5/17/2021	1,124,460.00	1,137,847.50	0.19
	CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,048,540.50	1,079,652.00	0.30
	CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	499,770.00	515,495.00	0.37
	CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	1,124,370.00	1,132,830.00	0.38
	CHEVRON USA INC	8/11/2023	450,000.00	451,296.00	0.32
	CHEVRON CORP	5/16/2021	49,945.50	50,346.50	0.26
	CHEVRON CORP	5/11/2023	875,000.00	892,596.25	0.32
	CITIGROUP INC	8/2/2021	1,723,295.00	1,773,852.50	0.32
	JOHN DEERE CAPITAL CORP	1/10/2022	769,260.80	794,693.90	0.31
	JOHN DEERE CAPITAL CORP	6/7/2021	499,660.00	505,265.00	0.27
	JOHN DEERE CAPITAL CORP	7/5/2023	399,672.00	403,504.00	0.36
	JOHN DEERE CAPITAL CORP	10/10/2023	499,420.00	501,190.00	0.32
	WALT DISNEY CO	9/1/2022	873,101.25	894,547.50	0.37
	EXXON MOBIL CORP	3/6/2022	339,237.50	358,379.00	0.22
	EXXON MOBIL CORP	3/6/2022	1,212,050.00	1,279,925.00	0.22
	HOME DEPOT INC	3/1/2022	498,630.00	519,030.00	0.21
	HONEYWELL INTERNATIONAL INC	8/8/2022	779,212.20	803,883.60	0.24
	HONEYWELL INTERNATIONAL INC	8/19/2022	1,875,000.00	1,878,018.75	0.26
	IBM CREDIT LLC	2/6/2023	1,057,720.00	1,060,580.00	0.22
	INTEL CORP	5/19/2021	1,327,659.20	1,335,652.50	0.60
	INTERNATIONAL BUSINESS MACHINES CORP	2/12/2024	1,027,845.50	1,026,209.25	0.55
	JPMORGAN CHASE & CO	4/1/2023	2,000,000.00	2,073,760.00	0.44
	MERCK & CO INC	2/10/2022	1,226,775.00	1,280,412.50	0.31
	MICROSOFT CORP	8/8/2021	1,057,023.00	1,108,789.00	0.23
	MICROSOFT CORP	2/6/2022	2,049,725.70	2,140,494.40	0.20
	MORGAN STANLEY	5/19/2022	993,370.00	1,034,210.00	0.41
	MORGAN STANLEY	2/25/2023	1,063,280.00	1,071,980.00	0.51
	MORGAN STANLEY	4/21/2021	1,957,500.00	2,016,700.00	0.36
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1/21/2022	1,598,592.00	1,627,424.00	0.25
	NORTHERN TRUST CORP	8/2/2022	1,012,140.00	1,035,660.00	0.24
	ORACLE CORP	9/15/2021	1,187,662.00	1,239,063.00	0.28
	PNC BANK NA	2/24/2023	800,000.00	814,352.00	0.28
	PACCAR FINANCIAL CORP	5/10/2021	579,849.20	586,907.80	0.41
	PACCAR FINANCIAL CORP	3/1/2022	499,560.00	515,615.00	0.35
	PACCAR FINANCIAL CORP	5/10/2022	999,460.00	1,034,730.00	0.24
	PACCAR FINANCIAL CORP	8/11/2023	449,410.50	451,084.50	0.26
	PEPSICO INC	5/1/2023	923,168.50	935,711.50	0.27
	PEPSICO INC	10/7/2023	524,700.75	526,811.25	0.28
	PFIZER INC	9/15/2021	1,872,468.75	1,915,800.00	0.25
	PFIZER INC	3/11/2022	424,974.50	438,523.50	0.31
	CHARLES SCHWAB CORP	5/21/2021	2,169,934.90	2,195,345.60	0.26
	3M CO	9/14/2021	823,308.75	840,724.50	0.29
	3M CO	3/1/2022	1,154,457.15	1,188,887.70	0.24
	TOYOTA MOTOR CREDIT CORP	1/11/2022	3,686,662.50	3,844,087.50	0.34
	UNILEVER CAPITAL CORP	3/7/2022	1,990,320.00	2,068,220.00	0.31
	U.S. BANCORP	3/15/2022	509,935.00	516,435.00	0.27
	WELLS FARGO & CO	4/1/2021	1,619,820.00	1,521,180.00	0.39
	AMERICAN HONDA FINANCE CORP	11/16/2022	2,021,300.00	2,087,060.00	0.37
	AMERICAN HONDA FINANCE CORP	1/12/2024	1,585,215.00	1,632,135.00	0.69
	APPLE INC	5/3/2023	1,977,040.00	2,099,600.00	0.34
	APPLE INC	2/23/2023	2,949,060.00	3,156,780.00	0.31
	BANK OF AMERICA CORP	1/11/2023	3,034,740.00	3,181,320.00	0.42
	BANK OF NEW YORK MELLON CORP	1/29/2023	2,944,320.00	3,161,640.00	0.35
	BERKSHIRE HATHAWAY INC	3/15/2023	2,924,460.00	3,153,870.00	0.33
	BERKSHIRE HATHAWAY INC	3/15/2023	2,014,300.00	2,102,580.00	0.33
	DEERE & CO	6/8/2022	1,466,700.00	1,542,975.00	0.34
	JOHN DEERE CAPITAL CORP	3/4/2021	1,344,769.75	1,363,888.80	0.28
	GENERAL DYNAMICS CORP	5/11/2021	3,985,000.00	4,051,320.00	0.13
	ORACLE CORP	5/15/2022	3,897,640.00	4,112,120.00	0.32
	PACCAR FINANCIAL CORP	9/26/2022	1,498,170.00	1,547,580.00	0.25
	PACCAR FINANCIAL CORP	2/7/2023	2,274,886.25	2,350,962.25	0.37
	LINDE INC	9/1/2021	2,338,645.05	2,392,744.20	0.29
	LINDE INC	9/1/2021	1,394,750.00	1,428,504.00	0.29
	CHARLES SCHWAB CORP	5/21/2021	1,554,953.35	1,573,162.40	0.26
	TOYOTA MOTOR CREDIT CORP	4/13/2021	2,488,525.00	2,524,500.00	0.29
	U.S. BANCORP	2/5/2024	2,107,940.00	2,168,740.00	0.62
	VISA INC	12/14/2022	1,962,480.00	2,097,720.00	0.18
	WALMART INC	6/26/2023	3,083,010.00	3,227,580.00	0.34
	WALMART INC	6/26/2023	2,056,460.00	2,151,720.00	0.34
	WELLS FARGO & CO	12/7/2020	3,023,370.00	3,000,960.00	0.89
	ADOBE INC	2/1/2023	1,103,486.15	1,139,531.25	0.25
	AMERICAN EXPRESS CO	5/20/2022	1,558,128.00	1,610,887.20	0.39
	AMERIPRISE FINANCIAL INC	3/22/2022	1,535,888.20	1,593,160.80	0.36
	AMERIPRISE FINANCIAL INC	3/22/2022	119,877.60	124,142.40	0.36
	APPLE INC	1/13/2023	647,825.00	651,962.50	0.27
	APPLE INC	9/11/2022	1,874,681.25	1,923,862.50	0.23
	APPLE INC	5/11/2023	1,441,069.60	1,462,397.80	0.26
	TRUIST FINANCIAL CORP	6/20/2022	2,048,120.00	2,079,020.00	0.36
	TRUIST FINANCIAL CORP	3/16/2023	1,943,560.70	2,020,582.70	0.43
	BANK OF AMERICA CORP	1/23/2022	1,415,000.00	1,419,867.60	0.40
	BANK OF AMERICA CORP	5/17/2022	1,075,000.00	1,090,340.25	0.42
	BANK OF NEW YORK MELLON CORP	4/28/2023	1,352,323.95	1,396,425.00	0.37
	BANK OF NEW YORK MELLON CORP	1/27/2023	2,228,439.00	2,300,066.60	0.33
	BRISTOL-MYERS SQUIBB CO	11/13/2023	880,000.00	881,425.60	0.37
	CATERPILLAR FINANCIAL SERVICES CORP	11/29/2022	859,078.00	886,626.50	0.38
	CATERPILLAR FINANCIAL SERVICES CORP	9/7/2021	1,713,679.45	1,752,541.35	0.30
	CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,353,116.55	1,393,265.20	0.30
	CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	1,469,323.80	1,515,555.30	0.37
	CHEVRON CORP	5/11/2023	455,000.00	464,150.05	0.32
	CISCO SYSTEMS INC	9/20/2021	1,894,243.00	1,921,888.00	0.25
	CITIGROUP INC	12/8/2021	1,012,830.00	1,023,630.00	0.38
	CITIZENS BANK NA	5/13/2021	1,493,725.00	1,501,949.80	0.38
	COMERICA INC	7/31/2023	2,120,020.00	2,162,540.00	0.53
	JOHN DEERE CAPITAL CORP	9/10/2021	1,154,641.95	1,181,056.80	0.22
	JOHN DEERE CAPITAL CORP	6/13/2022	1,438,142.40	1,477,728.00	0.24

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DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
JOHN DEERE CAPITAL CORP	4/6/2023	519,875.20	531,133.20	0.29
DUKE ENERGY CAROLINAS LLC	3/15/2023	2,502,051.75	2,591,943.75	0.27
ERP OPERATING LP	4/15/2023	1,933,786.40	1,937,505.22	0.52
ENTERGY LOUISIANA LLC	11/17/2023	759,863.20	761,451.60	0.42
ENTERGY LOUISIANA LLC	11/17/2023	740,355.20	741,413.40	0.42
EXXON MOBIL CORP	4/15/2023	2,065,000.00	2,123,707.95	0.37
FIFTH THIRD BANK NA (OHIO)	1/30/2023	1,473,761.00	1,518,055.25	0.39
HONEYWELL INTERNATIONAL INC	8/8/2022	1,018,969.80	1,051,232.40	0.24
HUNTINGTON NATIONAL BANK	2/3/2023	1,568,681.20	1,616,189.40	0.39
KEYBANK NA	3/7/2023	694,840.24	713,130.08	0.38
KEYBANK NA	3/7/2023	311,595.00	320,268.00	0.38
KEYBANK NA	3/7/2023	150,524.50	154,796.20	0.38
KEYBANK NA	3/7/2023	821,620.13	840,169.72	0.38
MORGAN STANLEY	5/19/2022	1,912,255.00	1,964,999.00	0.41
MORGAN STANLEY	11/17/2021	2,009,680.00	2,043,140.00	0.38
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	4/25/2022	1,208,052.00	1,233,180.00	0.30
NIKE INC	3/27/2025	134,816.40	145,071.00	0.62
ORACLE CORP	4/1/2025	449,833.50	482,638.50	0.76
PNC BANK NA	7/22/2022	1,925,000.00	1,948,716.00	0.32
PNC BANK NA	2/24/2023	1,115,000.00	1,135,003.10	0.28
PACCAR FINANCIAL CORP	9/26/2022	714,127.70	737,679.80	0.25
PACCAR FINANCIAL CORP	2/7/2023	1,999,900.00	2,066,780.00	0.37
PRECISION CASTPARTS CORP	1/15/2023	1,965,015.00	2,025,913.50	0.41
TRUIST BANK	5/17/2022	1,978,990.20	2,049,874.20	0.24
US BANK NA	1/21/2022	804,718.25	819,047.25	0.15
WALMART INC	12/15/2022	1,323,622.40	1,333,107.20	0.23
WELLS FARGO BANK NA	10/22/2021	1,789,803.10	1,838,419.50	0.27
AMERICAN EXPRESS CO	8/1/2022	3,103,260.00	3,102,360.00	0.34
ASSOCIATION OF AMERICAN MEDICAL COLLEGES	10/1/2022	2,990,000.00	3,023,218.90	1.31
TRUIST FINANCIAL CORP	6/20/2022	2,339,167.50	2,338,897.50	0.36
TRUIST FINANCIAL CORP	3/16/2023	2,947,817.00	3,064,637.00	0.43
BAYCARE HEALTH SYSTEM INC	11/15/2022	1,456,344.00	1,499,169.60	0.50
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	3,053,289.20	3,076,262.80	0.38
GEORGIA-PACIFIC LLC	5/15/2024	3,064,049.85	3,067,206.80	0.60
HONEYWELL INTERNATIONAL INC	8/19/2022	4,015,000.00	4,021,464.15	0.26
HUNTINGTON NATIONAL BANK	8/7/2022	2,024,431.10	2,037,354.30	0.36
KEYBANK NA	11/22/2021	1,785,864.60	1,868,142.88	0.25
KEYBANK NA	11/22/2021	1,953,600.00	2,043,920.00	0.25
MASSMUTUAL GLOBAL FUNDING II	6/9/2023	3,982,648.85	4,029,632.00	0.40
NATIONAL SECURITIES CLEARING CORP	4/23/2023	3,162,024.90	3,225,388.20	0.40
NEW YORK LIFE GLOBAL FUNDING	5/5/2023	2,084,562.15	2,120,903.70	0.39
PACIFIC LIFE GLOBAL FUNDING II	9/23/2023	2,022,468.75	2,025,060.75	0.50
PROTECTIVE LIFE GLOBAL FUNDING	6/9/2023	3,500,000.00	3,557,015.00	0.43
VIRGINIA ELECTRIC AND POWER CO	3/15/2023	2,087,580.00	2,097,500.00	0.35
WELLS FARGO & CO	7/22/2022	1,551,524.80	1,574,841.60	0.42
WELLS FARGO & CO	7/22/2022	3,959,048.10	4,025,170.80	0.42
SUB-TOTAL		243,486,848.87	249,574,194.70	
<b><u>MORTGAGE AND ASSET-BACK SECURITIES</u></b>				
ALLYA 2019-1 A3	9/15/2023	1,253,558.54	1,275,486.93	0.76
BMWLT 2018-1 A3	7/20/2021	179,156.15	179,636.17	0.10
COMET 2019-2 A	9/15/2022	2,749,307.55	2,810,747.50	0.48
COPAR 2019-1 A3	11/15/2023	899,817.66	916,371.00	0.72
CARMX 2020-4 A3	8/15/2025	474,895.45	476,258.75	0.40
DCENT 2019-3 A	10/15/2024	999,785.20	1,030,780.00	0.25
FNA 2012-M5 A2	2/25/2022	989,784.45	1,012,544.32	0.55
FNA 2013-M1 A2	8/25/2022	1,034,266.22	1,047,028.79	0.58
FNA 2013-M7 A2	12/25/2022	724,154.30	734,975.50	0.30
FHMS K-018 A2	1/25/2022	3,399,890.25	3,490,157.21	0.36
FHMS K-019 A2	3/25/2022	2,362,519.78	2,443,951.62	0.35
FHMS K-020 A1	1/25/2022	165,377.79	169,848.67	0.44
FHMS K-022 A2	7/25/2022	1,204,406.25	1,233,852.00	0.43
FHMS K-023 A1	4/25/2022	425,153.21	438,675.90	0.48
FHMS K-023 A2	8/25/2022	1,775,839.84	1,799,752.50	0.49
FHMS K-026 A2	11/25/2022	3,462,687.50	3,517,674.00	0.57
FHMS K-026 A2	11/25/2022	510,800.78	517,305.00	0.57
FHMS K-029 A1	10/25/2022	294,649.69	299,899.09	0.26
FHMS K-029 A1	10/25/2022	538,295.76	548,573.19	0.26
FHMS K-034 A1	2/25/2023	870,591.52	896,088.57	0.33
FHMS K-035 A1	3/25/2023	774,071.03	795,154.83	0.46
FHMS K-715 A2	1/25/2021	912,180.21	866,846.83	0.67
FHMS K-717 A2	9/25/2021	786,608.35	797,579.84	0.44
FHMS K-720 A2	6/25/2022	2,196,304.69	2,255,858.00	0.68
FHMS K-720 A2	6/25/2022	1,005,312.50	1,025,390.00	0.68
FHMS K-P05 A	7/25/2023	460,486.45	475,610.25	0.98
FHMS K-J27 A1	7/25/2024	1,031,752.76	1,066,878.59	0.52
FITAT 2019-1 A3	12/15/2023	599,868.12	610,260.00	0.83
FORDL 2019-A A3	5/15/2022	606,417.54	610,570.74	-0.24
GMCAR 2019-1 A3	11/16/2023	1,808,021.87	1,839,847.85	0.18
GMCAR 2020-3 A3	4/16/2025	899,794.08	902,970.00	0.31
GMCAR 2020-4 A3	8/18/2025	424,909.18	425,357.00	0.35
GMALT 2019-3 A3	6/20/2022	699,922.79	706,174.00	0.34
HDMOT 2020-A A3	10/15/2024	874,809.16	889,446.25	0.76
HAROT 2018-4 A3	1/15/2023	830,317.49	843,770.23	0.67
HAROT 2018-3 A3	8/22/2022	816,222.95	826,081.99	0.45
HART 2019-A A3	6/15/2023	449,940.78	457,312.50	0.58
MBALT 2020-B A3	11/15/2023	259,986.82	260,345.80	0.32
MBALT 2018-B A3	9/15/2021	716,118.87	718,226.02	-0.17
MBART 2020-1 A3	2/18/2025	624,951.19	628,343.75	0.30
MBART 2018-1 A3	1/15/2023	855,130.16	865,536.13	0.46
MBALT 2019-A A3	11/15/2021	646,937.43	650,268.81	-0.12
NALT 2018-A A3	9/15/2021	182,483.24	182,906.16	0.35
NALT 2019-B A3	7/15/2022	554,968.48	560,328.00	0.25
NAROT 2018-C A3	6/15/2023	792,137.68	806,978.53	0.80
NAROT 2020-B A3	7/15/2024	1,149,968.49	1,154,485.00	0.23
NAROT 2018-B A3	3/15/2023	1,055,223.43	1,070,812.12	0.81
NAROT 2019-C A3	7/15/2024	899,952.48	918,954.00	0.63
NAROT 2019-A A3	10/16/2023	2,419,350.97	2,465,958.36	0.71
NALT 2019-A A3	3/15/2022	242,399.41	243,985.44	0.44
TAOT 2018-D A3	3/15/2023	870,184.64	885,491.28	0.45
TAOT 2018-B A3	9/15/2022	769,342.98	777,348.04	0.70
TAOT 2019-C A3	9/15/2023	1,099,990.98	1,118,546.00	0.44
VZOT 2020-B A	2/20/2025	799,832.00	802,032.00	0.35
VZOT 2019-C A1A	4/22/2024	1,424,890.13	1,456,535.25	0.30
VZOT 2020-A A1A	7/22/2024	999,882.90	1,024,510.00	0.14
VWALT 2019-A A3	11/21/2022	899,985.78	914,085.00	0.12
VALET 2018-2 A3	4/20/2023	1,814,532.46	1,848,741.46	-0.08
WOART 2020-B A3	5/15/2025	999,921.60	1,004,890.00	0.42
FHMS K-J22 A1	5/25/2023	41,908.83	42,059.58	-0.55

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HAROT 2017-2 A3	8/16/2021	4,168.33	4,171.19	0.24
HAROT 2020-1 A3	4/22/2024	2,939,423.76	3,001,475.40	0.45
HAROT 2019-1 A2	9/20/2021	39,021.06	39,069.62	0.39
HAROT 2019-3 A3	8/15/2023	2,764,977.05	2,812,613.30	0.41
JDOT 2019-B A3	12/15/2023	1,424,697.47	1,453,713.75	0.37
JDOT 2020 A3	8/15/2024	2,124,870.16	2,151,923.75	0.39
MBALT 2020-A A3	12/15/2022	1,409,814.16	1,430,811.60	0.17
NAROT 2019-C A3	7/15/2024	2,954,843.98	3,017,232.30	0.63
TAOT 2020-D A3	1/15/2025	1,689,685.15	1,692,213.90	0.29
BMWLT 2018-1 A3	7/20/2021	144,255.60	144,642.11	0.10
BMWLT 2018-1 A4	3/21/2022	629,994.39	633,887.10	0.15
COPAR 2020-1 A3	11/15/2024	2,129,547.16	2,173,622.40	0.55
DRIVE 2020-2 A3	5/15/2024	629,975.93	633,175.20	0.43
FNA 2011-M5 A2	7/25/2021	316,502.65	314,833.34	-0.10
FHMS K-020 A2	5/25/2022	2,714,871.09	2,766,501.00	0.40
FHMS K-SMC A2	1/25/2023	1,483,888.67	1,560,030.00	-19.02
FHMS K-SMC A2	1/25/2023	2,030,198.44	2,135,880.00	-19.02
FHMS K-SMC A2	1/25/2023	410,500.00	418,800.00	-19.02
FHMS K-717 A2	9/25/2021	1,638,084.25	1,645,008.43	0.44
FHMS K-724 A1	3/25/2023	946,602.90	970,388.72	0.86
FHMS K-J23 A2	12/25/2022	1,442,481.06	1,464,558.28	1.01
FHMS K-J30 A1	1/25/2025	1,604,372.11	1,604,851.84	0.51
HDMOT 2019-A A3	2/15/2024	4,299,667.18	4,363,253.00	0.68
HAROT 2017-2 A3	8/16/2021	2,917.83	2,919.83	0.24
HAROT 2017-3 A3	9/18/2021	47,028.15	47,068.99	0.27
HAROT 2017-3 A3	9/18/2021	9,051.54	9,209.15	0.27
HAROT 2019-3 A3	8/15/2023	1,809,984.98	1,841,168.20	0.41
JDOT 2019 A3	7/17/2023	1,806,688.07	1,840,247.63	0.70
JDOT 2020 A3	8/15/2024	2,799,828.92	2,835,476.00	0.39
MBALT 2020-A A3	12/15/2022	1,029,864.25	1,045,202.80	0.17
NALT 2018-A A3	9/15/2021	250,797.48	251,378.73	0.35
SDART 2020-2 A3	4/15/2024	859,901.01	862,236.00	0.44
SDART 2020-3	7/15/2024	2,469,763.87	2,475,532.80	0.36
SDART 2020-4 A3	7/15/2024	2,099,691.09	2,101,302.00	0.44
TAOT 2020-C A3	10/15/2024	2,129,835.99	2,136,517.80	0.29
TAOT 2018-A A3	5/16/2022	0.00	0.00	0.34
TAOT 2019-C A3	9/15/2023	1,829,984.99	1,860,853.80	0.44
VZOT 2019-C A1A	4/22/2024	1,999,845.80	2,044,260.00	0.30
VWALT 2019-A A3	11/21/2022	849,986.57	863,302.50	0.12
FHMS K-J22 A1	5/25/2023	53,643.30	53,836.26	-0.55
BACCT 2018-2 A	9/15/2023	3,056,678.52	3,041,213.70	0.23
BACCT 2018-2 A	9/15/2023	1,086,593.36	1,081,095.90	0.23
BMWLT 2019-1 A4	8/22/2022	4,789,968.75	4,785,338.25	0.16
CNH 2020-A A2	7/17/2023	1,204,934.57	1,209,458.50	0.42
CARMX 2019-3 A2A	12/15/2022	853,080.69	857,742.90	0.54
CARMX 2020-1 A3	12/16/2024	1,024,798.90	1,050,133.00	0.70
CCCIT 2014-A1 A1	1/23/2023	1,991,259.38	2,002,521.15	0.22
FH G12952	12/1/2022	138,767.95	138,348.09	0.67
FH G18303	3/1/2024	370,544.88	377,391.17	-0.45
FNR 2012-50 VA	7/25/2023	255,541.21	252,425.73	0.32
FNA 2012-M9 A2	4/25/2022	366,580.68	370,188.92	0.72
FNA 2012-M9 A2	4/25/2022	75,534.90	76,281.35	0.72
FNA 2012-M17 A2	11/25/2022	391,318.90	414,997.84	0.59
FNR 2013-136 CV	6/25/2023	326,445.08	324,896.06	0.88
FHMS K-015 A2	7/25/2021	600,038.16	606,646.58	0.52
FHMS K-015 A2	7/25/2021	164,112.50	163,327.93	0.52
FHMS 2011-K016 A2	10/25/2021	2,086,041.02	2,127,357.31	0.48
FHMS 2011-K016 A2	10/25/2021	602,140.86	602,519.50	0.48
FHMS K-020 A2	5/25/2022	487,851.56	512,315.00	0.40
FHMS K-020 A2	5/25/2022	97,562.50	102,463.00	0.40
FHMS K-020 A2	5/25/2022	194,437.50	204,926.00	0.40
FHMS K-021 A2	6/25/2022	979,257.81	1,027,480.00	0.37
FHMS K-023 A1	4/25/2022	42,336.67	43,867.59	0.48
FHMS K-023 A1	4/25/2022	207,041.01	211,661.12	0.48
FHMS K-025 A1	4/25/2022	158,763.96	161,193.53	0.59
FHMS K-025 A2	10/25/2022	500,603.91	507,448.90	0.59
FHMS K-025 A2	10/25/2022	3,611,499.61	3,660,881.35	0.59
FHMS K-S01 A2	1/25/2023	221,957.15	234,334.94	0.47
FHMS K-027 A1	9/25/2022	42,549.15	44,118.18	0.47
FHMS K-027 A2	1/25/2023	2,101,558.59	2,189,607.00	0.41
FHMS K-027 A2	1/25/2023	1,875,366.21	1,955,006.25	0.41
FHR 4285 BA	12/15/2023	629,692.83	628,344.50	0.93
FHMS K-041 A1	8/25/2024	2,123,343.78	2,113,890.89	0.50
FHMS K-046 A1	1/25/2025	710,326.11	708,278.77	0.56
FHMS K-047 A1	12/25/2024	796,407.74	814,835.21	0.39
FN AM0359	8/1/2022	2,680,872.17	2,713,244.44	1.00
FN AM1568	12/1/2022	1,383,236.06	1,418,776.47	2.46
FN AM1568	12/1/2022	1,411,411.05	1,418,776.47	2.46
FN AM1999	7/1/2021	2,190,125.50	2,255,881.32	1.34
FNR 0338C MP	5/25/2023	233,868.05	234,391.15	0.95
FNR 0338C MP	5/25/2023	257,424.41	257,380.84	0.95
FNR 0333J LB	5/25/2023	146,022.62	146,194.43	1.37
FNR 0364L HQ	7/25/2023	153,382.84	154,421.31	1.00
FHR 2666 OD	8/15/2023	143,928.96	145,164.35	1.03
FHR 2666 OD	8/15/2023	149,748.15	150,783.61	1.03
FHR 2756 KA	2/15/2024	567,658.12	563,578.72	1.37
FNR 2008-45 DB	6/25/2023	276,192.62	276,835.28	0.86
FN BM6007	5/1/2023	741,474.81	733,296.51	1.05
FN 961991	3/1/2023	441,000.94	453,245.45	-1.52
GMALT 2020-2 B	7/22/2024	4,078,992.65	4,154,133.60	0.64
HAROT 2017-3 A3	9/18/2021	7,744.31	7,751.03	0.27
JDOT 2019-B A2	5/16/2022	470,019.01	471,459.06	0.39
JDOT 2019-B A2	5/16/2022	85,618.56	85,719.83	0.39
KCOT 2020-1 A1	5/17/2021	25,293.31	25,304.19	0.47
MMAF 20B A3	8/14/2025	3,469,950.38	3,468,230.30	0.51
MMAF 20A A2	4/9/2024	1,669,844.69	1,675,327.30	0.41
NAROT 2017-C A3	4/18/2022	22,921.62	23,000.69	0.48
NAROT 2017-C A3	4/18/2022	14,361.57	14,636.80	0.48
NALT 2019-B A2A	10/15/2021	375,980.41	376,675.09	0.13
PFSFC 20B A	6/17/2024	1,564,789.51	1,579,085.00	0.62
SCART 20A A	10/15/2024	2,242,180.85	2,262,007.12	0.00
TFET 191 A3	4/24/2023	1,974,661.88	2,004,190.50	0.58
<b>SUB-TOTAL</b>		<b>176,376,866.62</b>	<b>179,011,278.04</b>	

Municipal Debt

CALIFORNIA EARTHQUAKE AUTH REV	7/1/2022	815,000.00	816,850.05	1.18
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2022	625,000.00	625,925.00	0.28
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2023	230,000.00	230,358.80	0.36
CALIFORNIA ST UNIV REV	11/1/2023	1,000,000.00	999,660.00	0.49

**Orange County Transportation Authority**  
**Portfolio Listing**  
**As of November 30, 2020**

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CONNECTICUT ST	7/1/2023	226,343.25	233,059.50	0.60
FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	1,025,000.00	1,045,233.50	0.82
LOS ANGELES CALIF CMNTY COLLEGE DIST	8/1/2023	760,000.00	761,018.40	0.39
MARYLAND ST	8/1/2023	2,125,000.00	2,129,313.75	0.33
MISSISSIPPI ST	11/1/2023	925,000.00	925,675.25	0.40
PORT AUTH N Y & N J	7/1/2023	1,125,000.00	1,137,847.50	0.64
PORT AUTH N Y & N J	7/1/2023	1,101,416.70	1,107,504.90	0.64
NEW YORK ST	2/15/2024	3,000,000.00	3,110,250.00	0.85
ALAMEDA CNTY CALIF JT PWRS AUTH LEASE REV	6/1/2022	1,275,187.50	1,296,287.50	0.52
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	3,700,000.00	3,845,262.00	0.49
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,534,485.00	1,533,675.00	0.44
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	790,000.00	820,430.80	0.57
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	365,000.00	366,919.90	1.27
CALIFORNIA ST	3/1/2022	1,802,064.00	1,727,352.00	0.40
CALIFORNIA ST	4/1/2021	3,000,120.00	3,025,110.00	0.31
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	1,160,759.47	1,116,917.01	3.01
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	649,022.65	647,811.76	3.01
CALIFORNIA ST UNIV REV	11/1/2023	1,090,000.00	1,089,629.40	0.49
CONNECTICUT ST	7/1/2023	875,193.90	901,163.40	0.60
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2021	1,000,000.00	1,009,020.00	0.35
HAWAII ST	10/1/2024	1,190,000.00	1,204,553.70	0.48
LOS ALTOS CALIF SCH DIST	8/1/2023	2,790,000.00	2,791,060.20	1.64
LOS ANGELES CALIF CMNTY COLLEGE DIST	8/1/2024	1,290,000.00	1,294,515.00	0.58
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	1,019,560.00	1,047,080.00	0.52
MASSACHUSETTS (COMMONWEALTH OF)	5/1/2022	1,186,968.00	1,177,836.60	0.29
OAKLAND-ALAMEDA CNTY CALIF COLISEUM AUTH LEASE REV	2/1/2023	1,058,440.00	1,047,140.00	1.14
PALM DESERT CALIF REDEV AGY SUCCESSOR AGY TAX ALLO	10/1/2022	1,114,074.90	1,129,284.45	1.02
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2024	1,410,000.00	1,413,186.60	0.57
RIVERSIDE CALIF UNI SCH DIST	2/1/2022	750,000.00	760,897.50	0.56
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2023	1,375,000.00	1,426,040.00	0.67
SACRAMENTO CNTY CALIF SANTN DIST FING AUTH REV	12/1/2023	1,500,000.00	1,507,890.00	0.58
SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	890,000.00	903,732.70	0.52
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2021	1,285,000.00	1,299,250.65	0.28
SAN DIEGO CALIF PUB FACS FING AUTH LEASE REV	10/15/2021	1,325,000.00	1,354,454.75	0.45
SAN DIEGO CALIF PUB FACS FING AUTH WTR REV	8/1/2023	620,000.00	632,834.00	0.55
SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	11/1/2022	630,000.00	648,805.50	0.39
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2021	2,800,000.00	2,822,904.00	0.97
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,350,000.00	2,416,105.50	1.04
SANTA BARBARA CNTY CALIF SOLID WASTE SYS REV CFTS	12/1/2021	375,000.00	385,455.00	0.51
SEMITROPIC IMPT DIST SEMITROPIC WTR STORAGE DIST C	12/1/2022	1,637,622.60	1,632,029.40	0.51
SOUTHERN CALIF PUB PWR AUTH PWR PROJ REV	7/1/2023	2,735,000.00	2,736,258.10	0.51
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2022	1,577,512.50	1,579,093.50	0.59
UNIVERSITY CALIF REVS	5/15/2021	860,000.00	866,914.40	0.36
UNIVERSITY CALIF REVS	5/15/2022	1,926,739.20	1,999,603.20	0.43
UNIVERSITY CALIF REVS	5/15/2023	1,670,000.00	1,676,295.90	0.47
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2022	2,460,000.00	2,462,484.60	0.46
VALLEJO CALIF WTR REV	5/1/2023	840,000.00	853,986.00	0.77
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	2,865,000.00	2,929,319.25	0.44
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,105,500.00	1,124,695.00	0.44
CALIFORNIA HEALTH FACS FING AUTH REV	6/1/2021	2,140,000.00	2,156,478.00	0.36
CALIFORNIA ST	4/1/2024	3,239,373.40	3,333,836.10	0.56
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2024	2,120,000.00	2,124,748.80	0.50
CHAFFEY CMNTY COLLEGE DIST CALIF	6/1/2022	715,000.00	726,575.85	0.52
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2022	1,000,000.00	1,020,510.00	0.42
EL DORADO CALIF IRR DIST REV	3/1/2023	720,000.00	725,572.80	0.53
EL DORADO CALIF IRR DIST REV	3/1/2024	720,000.00	730,000.80	0.65
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2022	715,000.00	722,900.75	1.11
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000.00	732,903.60	1.29
LOS ANGELES CALIF DEPT ARPTS ARPT REV	5/15/2021	1,006,380.00	1,008,400.00	0.46
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	900,000.00	900,054.00	0.51
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2023	720,000.00	716,752.80	0.81
LOS ANGELES CNTY CALIF PUB WKS FING AUTH LEASE REV	12/1/2021	1,537,050.00	1,541,250.00	0.43
MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	10/15/2022	1,800,000.00	1,838,070.00	0.82
MASSACHUSETTS ST WTR RES AUTH IAM COML PAPER NTS 3	8/1/2023	2,365,000.00	2,452,599.60	0.38
MISSISSIPPI ST	11/1/2023	4,540,000.00	4,543,314.20	0.40
OHIO ST SPL OBLIG	10/1/2023	1,180,000.00	1,185,038.60	0.41
OHLINE CALIF CMNTY COLLEGE DIST	8/1/2022	800,000.00	817,784.00	0.36
PASADENA CALIF PUB FING AUTH LEASE REV	12/1/2020	275,000.00	275,000.00	3.06
PASADENA CALIF PUB FING AUTH LEASE REV	12/1/2021	400,000.00	411,056.00	0.47
PENNSYLVANIA ST TPK COMMN TPK REV	12/1/2021	876,767.50	884,336.25	1.20
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2023	865,000.00	866,591.60	0.35
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2021	480,000.00	483,888.00	1.31
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2022	400,000.00	407,520.00	1.21
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2022	2,420,000.00	2,467,601.40	0.63
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2022	1,500,000.00	1,540,350.00	0.32
SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	1,440,000.00	1,445,112.00	0.49
SAN FRANCISCO CALIF BAY AREA RAPID TRAN DIST SALES	7/1/2022	1,484,761.60	1,505,318.40	0.57
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,138,837.50	2,177,498.20	1.04
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2023	1,635,140.00	1,683,515.65	1.14
SAN FRANCISCO CALIF CITY & CNTY REDEV FING AUTH TA	2/1/2021	1,910,798.40	1,702,881.60	0.56
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2021	290,000.00	290,698.90	0.28
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2022	430,000.00	432,855.20	0.32
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2023	430,000.00	430,623.50	0.45
TEXAS ST	10/1/2022	2,335,000.00	2,393,164.85	0.25
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2021	1,201,003.20	1,220,856.30	0.57
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2023	2,590,000.00	2,593,859.10	0.62
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2024	2,625,000.00	2,630,748.75	0.77
UTAH HSG CORP SINGLE FAMILY MTG REV	1/1/2022	1,535,000.00	1,548,508.00	1.28
UTAH HSG CORP SINGLE FAMILY MTG REV	7/1/2022	640,000.00	649,068.80	1.25
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2022	560,000.00	563,578.40	0.51
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	720,000.00	729,367.20	0.60
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	722,793.60	729,367.20	0.60
SUB-TOTAL		129,673,914.87	130,966,136.13	
<b>Variable &amp; Floating Rate</b>				
BANK OF AMERICA CORP	3/5/2024	1,064,260.00	1,065,120.00	0.65
BANK OF AMERICA CORP	5/19/2024	1,425,000.00	1,455,081.75	0.96
CARMX 2020-3 A3	3/17/2025	774,867.17	779,285.75	0.37
CITIGROUP INC	10/30/2024	2,500,000.00	2,507,175.00	0.70
CITIGROUP INC	11/4/2022	600,000.00	610,308.00	0.45
GMALT 2020-3 A3	8/21/2023	624,940.13	626,200.00	0.32
GOLDMAN SACHS GROUP INC	11/17/2023	1,675,000.00	1,679,304.75	0.54
JPMORGAN CHASE & CO	6/1/2024	1,575,000.00	1,613,256.75	0.82
JPMORGAN CHASE & CO	9/16/2024	300,000.00	301,326.00	0.63
NALT 2020-B A3	10/16/2023	424,956.27	425,769.25	0.32
BANK OF AMERICA CORP	10/24/2024	2,155,000.00	2,163,749.30	0.78
CITIGROUP INC	10/30/2024	2,065,000.00	2,070,926.55	0.70
CITIBANK NA	5/20/2022	298,510.50	298,478.05	0.34
CITIBANK NA	5/20/2022	1,319,576.85	1,320,385.95	0.34
FNA 2014-M8 A2	6/25/2024	2,080,764.27	2,064,787.64	0.45

**Orange County Transportation Authority**  
**Portfolio Listing**  
**As of November 30, 2020**

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
FNA 2018-M5 A2	9/25/2021	568,037.25	530,154.21	1.01
FHMS K-029 A2	2/25/2023	1,078,080.08	1,091,295.30	0.41
FHMS K-029 A2	2/25/2023	1,716,426.56	1,737,596.40	0.41
FHMS K-029 A2	2/25/2023	820,581.64	837,012.90	0.41
FHMS K-029 A2	2/25/2023	1,797,539.45	1,790,571.90	0.41
FHMS K-031 A2	4/25/2023	3,771,482.81	3,768,684.00	0.44
FHMS K-032 A2	5/25/2023	3,805,596.09	3,985,680.60	0.51
FHMS K-033 A2	7/25/2023	3,809,798.44	3,854,225.10	0.52
FHMS K-105 A	7/25/2024	1,594,930.88	1,596,924.54	0.39
FIRST REPUBLIC BANK	2/12/2024	500,000.00	515,005.00	0.55
GOLDMAN SACHS GROUP INC	10/31/2022	1,573,456.50	1,581,473.25	0.57
JPMORGAN CHASE & CO	9/16/2024	1,160,000.00	1,165,127.20	0.63
KEYBANK NA	11/22/2021	1,570,646.00	1,561,423.50	0.30
MORGAN STANLEY	10/21/2025	615,000.00	617,706.00	0.72
MORGAN STANLEY	11/10/2023	1,160,000.00	1,160,962.80	0.55
PNC BANK NA	12/9/2022	1,640,000.00	1,668,126.00	0.35
PACCAR FINANCIAL CORP	5/10/2021	700,000.00	700,532.00	0.33
WELLS FARGO BANK NA	9/9/2022	1,990,000.00	2,015,909.80	0.40
BANK OF AMERICA CORP	12/20/2023	2,879,411.20	2,877,219.20	0.55
BANK OF AMERICA CORP	10/24/2024	2,256,637.50	2,259,135.00	0.78
BANK OF AMERICA CORP	10/24/2024	802,424.00	803,248.00	0.78
CITIGROUP INC	11/4/2022	3,140,000.00	3,193,945.20	0.45
FNA 2014-M6 A2	5/25/2021	94,023.78	95,730.49	0.96
FN AL3382	3/1/2023	735,958.30	746,598.31	0.99
FN FN0004	12/1/2020	40,084.99	39,483.37	0.27
GOLDMAN SACHS GROUP INC	11/17/2023	3,560,000.00	3,569,149.20	0.54
GOLDMAN SACHS GROUP INC	11/17/2023	3,604,680.00	3,609,252.00	0.54
JPMORGAN CHASE & CO	12/5/2024	964,932.50	963,427.50	0.63
JPMORGAN CHASE & CO	12/5/2024	3,132,832.40	3,127,010.40	0.63
JPMORGAN CHASE & CO	12/5/2024	3,961,872.00	3,963,816.00	0.63
KEYBANK NA	2/1/2022	4,180,000.00	4,206,501.20	0.36
MORGAN STANLEY	11/10/2023	5,725,000.00	5,729,751.75	0.55
MORGAN STANLEY	11/10/2023	1,801,008.00	1,801,494.00	0.55
PNC BANK NA	2/24/2023	4,045,000.00	4,051,188.85	0.43
STATE STREET CORP	3/30/2023	1,750,000.00	1,806,962.50	1.38
<b>SUB-TOTAL</b>		<b>91,428,315.56</b>	<b>92,003,478.21</b>	
<b>Supranationals</b>				
INTER-AMERICAN DEVELOPMENT BANK	5/24/2023	2,599,116.00	2,616,666.00	0.24
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	11/24/2023	2,644,302.50	2,648,728.00	0.27
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	11/24/2023	3,043,442.50	3,048,536.00	0.27
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,934,593.40	1,970,780.90	0.21
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,177,726.00	1,199,827.75	0.21
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	811,863.00	827,115.30	0.21
INTER-AMERICAN DEVELOPMENT BANK	9/14/2022	10,484,250.00	10,784,130.00	0.23
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	6/19/2023	2,889,102.00	2,968,018.50	0.25
<b>SUB-TOTAL</b>		<b>25,584,395.40</b>	<b>26,063,802.45</b>	
<b>SHORT-TERM PORTFOLIO - TOTAL</b>		<b>1,617,346,023.22</b>	<b>1,635,902,010.18</b>	
<b>BOND PROCEEDS PORTFOLIO</b>				
<b>GUARANTEED INVESTMENT CONTRACT (GIC)</b>				
<u>THE BANK OF NOVA SCOTIA</u>	4/1/2021	83,650,000.00	83,650,000.00	3.01%
BNY MELLON-MONEY MARKET FUND	N/A	131,801,474.52	131,801,474.52	0.12%
BNY MELLON-COMMERCIAL PAPER	12/17/2020	14,991,375.00	14,991,375.00	0.23%
<b>BOND PROCEEDS PORTFOLIO-TOTAL</b>		<b>\$ 230,442,849.52</b>	<b>\$ 230,442,849.52</b>	
<b>DEBT SERVICE RESERVE FUNDS</b>				
<b>DESCRIPTION</b>	<b>MATURITY DATE</b>	<b>BOOK VALUE</b>	<b>REQUIRED AMOUNT</b>	<b>YIELD</b>
<u>91 EXPRESS LANES 2013 BONDS</u>	2030		10,799,437.46	
US BANK COMMERCIAL PAPER	12/9/2020	11,484,273.87		0.06%
FIRST AMERICAN TREAS OBLIGATIONS	N/A	957.11		0.01%
<u>91 EXPRESS LANES 2013 BONDS - OPERATING &amp; MAINTENANCE RESERVES</u>			13,000,000.00	
BANK DEPOSITS	N/A	213,076.50		
OPERATING RESERVE	3/15/2021	3,098,023.75		0.15%
MAINTENANCE RESERVE	3/15/2021	10,493,306.25		0.15%
<b>DEBT SERVICE RESERVE FUNDS - TOTAL</b>		<b>\$ 25,289,637.48</b>		
<b>TOTAL PORTFOLIO</b>				
		<b>Book Value</b>	<b>Market Value</b>	
		<b>\$ 2,052,221,941.59</b>	<b>\$ 2,070,777,928.55</b>	



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board



**Subject:** State Legislative Status Report

Legislative and Communications Committee Meeting of January 21, 2021

**Present:** Directors Bartlett, Delgleize, Hennessey, Hernandez, and Wagner

**Absent:** None

**Committee Vote**

Following the discussion, no action was taken on this receive and file information item.

**Staff Recommendation**

Receive and file as an information item.



**January 21, 2020**

**To:** Legislative and Communications Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** State Legislative Status Report

### **Overview**

The Orange County Transportation Authority provides regular updates to the Legislative and Communications Committee on policy issues directly impacting Orange County Transportation Authority programs, projects, and operations. The State has formed several committees to inform guidance on the distribution of the coronavirus vaccine. An update is provided regarding Orange County Transportation Authority engagement on these discussions, including advocacy efforts to prioritize the transportation sector as an essential service within state guidance. With the start of the legislative session and new vacancies existing within the Administration, information is provided on changes related to the State Legislature's committee assignments and new appointments to the California Air Resources Board. As a follow-up to a memo sent to the Orange County Transportation Authority Board of Directors, a verbal update will be provided on Governor Newsom's proposed fiscal year 2021-2022 state budget.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

#### **Update on Vaccine Distribution Prioritization Advocacy Efforts**

The State has formed three committees to evaluate the approval and distribution process of coronavirus (COVID-19) vaccines within the California Department of Public Health as vaccines become available throughout the country. First, the Scientific Safety Review Committee, charged with reviewing the efficacy of the vaccines that have been approved by the United States Food and Drug Administration, reviews and confirms that the vaccines meet all safety requirements. Next, the Drafting Guidelines Workgroup (Workgroup) makes phased recommendations for the prioritization of the vaccine distribution

generally informed by the Center for Disease Control's Advisory Committee on Immunization Practices (ACIP). The Workgroup then presents their recommendation to the Community Vaccine Advisory Committee (CVAC) where the public has the opportunity to provide input and ensure equitable vaccine distribution and decision-making. The CVAC is made up of a variety of over 80 different stakeholder groups representing the healthcare industry, teachers, seniors, the disabled, minority communities, and more. The Workgroup uses that input to inform their final recommendation, which is then presented to the Governor, with continued feedback from the CVAC.

These phased recommendations are created to target the most at risk for potential exposure and those who are most vulnerable to the virus. Presently, there are three main phases proposed: Phase 1A, Phase 1B, and Phase 1C. Phase 1A, which has been approved and begun implementation, includes healthcare workers and residents in congregate facilities such as skilled nursing and assisted living facilities. Since the planning efforts for Phase 1B began, Orange County Transportation Authority (OCTA) staff, along with stakeholders including the California Transit Association (CTA), have been working to ensure frontline workers within the transportation sector are prioritized. Specifically, OCTA staff has worked with CTA to help present the case for prioritizing transit workers in Phase 1B, providing data to demonstrate the essential nature of transit, impacts to the economy, and demographics of riders and frontline workers. To further these efforts, on December 18, 2020, OCTA submitted a letter to the Governor outlining the urgent need to include frontline transportation workers in Phase 1B. The letter is included as Attachment A. These public comment letters were discussed at the CVAC meeting on December 23, 2020, and as a result, the CVAC recommended transportation workers for inclusion as part of Phase 1B. On December 30, 2020, the Workgroup met to make their final recommendations for Phase 1B to be submitted to the Governor after receiving the feedback from the CVAC.

On January 6, 2021, the Workgroup presented its final recommendations for Phase 1B to the CVAC. These recommendations were separated into two tiers.

- Tier 1 in Phase 1B includes workers in education and childcare, emergency services, food and agriculture, and all of those 75 years of age and older.
- Tier 2 includes critical manufacturing, facilities and services, transportation and logistics, those between the ages 65 and 74, and those in congregate settings with outbreak risk, including those incarcerated and experiencing homelessness. Phase 1C is proposed to include all other essential industry sectors not included in Phase 1B, those 50 years of age and older, and those between the ages of 16 and 49 that have underlying conditions.



It should be highlighted that the Tier 2 recommendations were not originally considered to be in Phase 1B; however, it was included following the recommendations from the ACIP and advocacy from public transit agencies across the state, including OCTA. Additionally, since the previous CVAC meeting, the Workgroup amended these recommendations to include all individuals between the ages of 65 and 74 in Phase 1B, Tier 2, not solely those with underlying illnesses or considered to be more at risk. Members of the CVAC did not oppose these recommendations for Phase 1B and it is expected it will be approved by the Governor in short order.

As of writing this staff report, it is expected that the distribution process for Phase 1B will begin in late January and February of 2021. Although reports indicate that the State is currently behind the originally estimated schedule in administering the vaccine, public health officials insist that the pace will accelerate as they continue to operationalize distribution and administration processes throughout the State. The CVAC specifically addressed equity-informed strategies for operationalizing the vaccine distribution with local health departments. The CVAC also indicated that they are working with community-based organizations, using social media, and are building registries of eligible recipients on the state and local level. A key strategy is to expand flexibility in order to create larger pool of vaccine administrators, including the addition of more state support for on the ground clinics, pharmacy programs, and training other medical professionals such as dentists to be vaccinators. OCTA staff will continue to engage in the state-level meetings in coordination with other stakeholders to ensure transportation workers are prioritized. At the same time, OCTA staff is also engaged at the county level to inform further guidance and implementation efforts when transportation workers become eligible.

#### Update on Californian State Legislature Committee Memberships

The California State Legislature convened the 2021-22 Legislative Session on December 7, 2020. Both bodies officially returned on January 11, 2021, for legislative business after amending the original return date due to the increase of COVID-19 cases across the state.

With a new legislative session, there were several changes to committee memberships. The full list of Senate committee appointments is included as Attachment B. Senate President pro Tempore Toni G. Atkins (D-San Diego) appointed Senator Lena Gonzalez (D-Long Beach) to become Chair of the Senate Transportation Committee, replacing former Senator Jim Beall (D-Campbell) who term ended out of elected office. It is worth noting that Orange County is well represented on this committee. Specifically, Senator Pat Bates (R-Laguna Niguel) remains as Vice Chair while Senators

Bob Archuleta (D-Pico Rivera), Dave Min (D-Irvine), Josh Newman (D-Fullerton), and Tom Umberg (D-Santa Ana) were all selected to serve on the Senate Transportation Committee. Also, former Senator Holly Mitchell vacated the Senate Budget and Fiscal Review Committee's chairmanship after winning a supervisorial election in Los Angeles County. Senate President pro Tempore Atkins has since appointed Senator Nancy Skinner (D-Berkeley) to be the next Chair for the Senate Budget and Fiscal Review Committee and reorganized the Senate Budget Subcommittees. Senator Maria Elena Durazo (D-Los Angeles) is now Chair of Budget Subcommittee Number Five on Corrections, Public Safety, Judiciary, Labor, and Transportation. Orange County Senators Newman and Min will also serve on the full Senate Budget and Fiscal Review Committee. Senator Pat Bates will continue to serve as Vice Chair on the Senate Appropriations Committee.

Within the Assembly, Speaker Anthony Rendon (D-Lakewood) appointed Assembly Member Laura Friedman (D-Glendale) to serve as Chair of the Assembly Transportation Committee, replacing Assembly Member Jim Frazier (D-Fairfield). Already, Chair Friedman has made it clear that her priorities as chair include helping the state reach its climate goals, investment in mass transit, and promotion of measures regarding traffic safety. Orange County members that have been selected to serve on this committee include Assembly Members Tom Daly (D-Anaheim), Laurie Davies (R-Laguna Niguel), and Janet Nguyen (R-Garden Grove). While there will be no Orange County Assembly Members serving on the Assembly Budget Committee this year, Assembly Member Richard Bloom (D-Santa Monica) will remain Chair of Assembly Budget Subcommittee Number Three on Resources and Transportation. Assembly Member Davies will be a member of Assembly Appropriations Committee. The full list of Assembly committee appointments is included as Attachment C.

#### California Air Resources Board Chair Appointment

On December 9, 2020, the Governor appointed Liane Randolph to succeed Mary Nichols as Chair of the California Air Resources Board. Nichols' term ended on December 31, 2020 after serving as chair for 13 years. Randolph, an attorney, most recently served as a Commissioner at the California Public Utilities Commission since 2015, has also served in other capacities within the California Natural Resources Agency, the Fair Political Practices Commission, and the City of San Leandro. This appointment requires confirmation by the California State Senate.

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**Governor's Proposed Fiscal Year 2021-2022 State Budget**

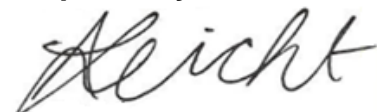
As required by the State Constitution, the Governor's proposed budget for fiscal year 2021-2022 is required to be introduced by January 10, 2021. While a memo outlining the proposed budget has been provided to the OCTA Board of Directors, a verbal update will be included as part of the January 21, 2021, meeting of the OCTA Legislative and Communications Committee.

**Summary**

An update is given on vaccine distribution. An overview is provided on the State Legislature's committee changes, and new appointments to the California Air Resources Board. A verbal update will be provided on the state budget.

**Attachments**

- A. Letter from Steve Jones, Chairman, Orange County Transportation Authority, to the Honorable Gavin Newsom, Governor, State of California, dated December 18, 2020
- B. Senate Committee Membership for the 2020-2021 Legislative Session
- C. Assembly Committee Membership for the 2020-2021 Legislative Session
- D. Orange County Transportation Authority Legislative Matrix

**Prepared by:**

Alexis Leicht  
Associate Government Relations Representative,  
Government Relations  
(714) 560-5475

**Approved by:**

Lance M. Larson  
Executive Director,  
Government Relations  
(714) 560-5908



## AFFILIATED AGENCIES

Orange County  
Transit District

Local Transportation  
Authority

Service Authority for  
Freeway Emergencies

Consolidated Transportation  
Service Agency

Congestion Management  
Agency

December 18, 2020

The Honorable Gavin Newsom  
Governor of California  
State Capitol  
Sacramento, California 95814

Dear Governor Newsom:

The Orange County Transportation Authority (OCTA) appreciates the magnitude of the challenges the coronavirus (COVID-19) pandemic has created for the State and local agencies, in continuously seeking to ensure evolving guidance and best practices comport with the latest scientific, financial, and safety data. We are hopeful that having new vaccination options will present a path forward to resolving the pandemic and re-establishing a sense of normalcy statewide. With the federal Food and Drug Administration's approval of a vaccine on Friday, December 11, 2020, OCTA is formally requesting that public transportation workers be included in Phase 1B of the state's vaccine distribution plan, following healthcare workers and those in congregate facilities.

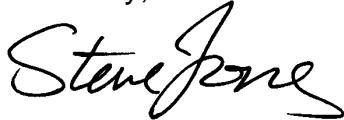
Throughout the pandemic, OCTA has delivered critical services in transporting essential workers to their jobs and residents in need of making essential trips to the grocery store, medical facilities, and more. A large majority of our current ridership have jobs considered essential, which include healthcare, education, utility, and grocery store workers. In providing these services, one of our top priorities has always been the safety and health of our employees, OC Bus riders, and those engaged in constructing capital improvements on our multimodal transportation system. We have closely monitored public health and physical distancing guidance from federal, state, and local officials while we fulfill our responsibility to facilitate those activities deemed essential to fighting the spread of COVID-19. Specifically, the Department of Homeland Security has designated 16 Critical Infrastructure Sectors, one of which is the Transportation Systems Sector, and Executive Order N-33-20 identified transportation as essential in preserving the health and safety of Californians.

As we move forward, the transportation sector will be critical in the recovery from the COVID-19 pandemic by both facilitating the movement of people and providing for necessary economic stimulus through the delivery of infrastructure projects. Therefore, the health and safety of our transportation workers must be a top priority for the State and should be prioritized in the forthcoming Phase 1B vaccination distribution guidelines.

The Honorable Gavin Newsom  
December 18, 2020  
Page 2

Thank you for your consideration of this request, and if you have any questions or require further information, please do not hesitate to contact Lance Larson, Executive Director of Government Relations, at (714) 560-5908.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Jones". The signature is fluid and cursive, with the first name "Steve" and last name "Jones" clearly distinguishable.

Steve Jones  
Chairman

SJ:al

c: David Kim, Secretary, California State Transportation Agency  
Mark Ghaly, Doctor of Medicine, Master of Public Health, Secretary, California  
of Health and Human Services Agency  
Marko Mijic, Deputy Secretary, California Health and Human Services Agency  
Tomás J. Aragón, Director, California Department of Public Health  
Erica S. Pan, MD, MPH, Acting State Public Health Officer, California  
Department of Public Health  
Orange County State Legislative Delegation  
Darrell E. Johnson, Chief Executive Officer, OCTA  
Platinum Advisors, LLC  
Topp Strategies, LLC



**FOR IMMEDIATE RELEASE**

December 14, 2020

CONTACT: [Niesha.Fritz@sen.ca.gov](mailto:Niesha.Fritz@sen.ca.gov)

**Senate Leader Atkins Announces Committee Membership for the  
2020-2021 Legislative Session**

**SACRAMENTO** – California Senate President pro Tempore, Toni G. Atkins (D-San Diego), today announced the Senate’s committee membership assignments for the 2020-2021 Legislative session.

**Standing Committees**

*Agriculture*

- **Senator Andreas Borgeas (R-Fresno), Chair.**
- Senator Melissa Hurtado (D-Sanger), Vice Chair.
- Senator Anna M. Caballero (D-Salinas)
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator Steven M. Glazer (D-Contra Costa)

*Appropriations*

- **Senator Anthony J. Portantino (D-La Cañada-Flintridge), Chair.**
- Senator Patricia C. Bates (R-Laguna Niguel), Vice Chair.
- Senator Steven Bradford (D-Gardena)
- Senator Brian W. Jones (R-Santee)
- Senator John Laird (D-Santa Cruz)
- Senator Bob Wieckowski (D-Fremont)
- \*Vacancy

### *Banking and Financial Institutions*

- **Senator S. Monique Limón (D-Santa Barbara), Chair.**
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa), Vice Chair.
- Senator Steven Bradford (D-Gardenia)
- Senator Anna M. Caballero (D-Salinas)
- Senator Brian Dahle (R-Bieber)
- Senator Maria Elena Durazo (D-Los Angeles)
- Senator Ben Hueso (D-San Diego)
- Senator Dave Min (D-Irvine)
- Senator Anthony J. Portantino (D-La Cañada Flintridge)

### *Budget and Fiscal Review*

- **Senator Nancy Skinner (D-Berkeley), Chair.**
- Senator Jim Nielsen (R-Tehama), Vice Chair.
- Senator Anna M. Caballero (D-Salinas)
- Senator Dave Cortese (D-San Jose)
- Senator Brian Dahle (R-Bieber)
- Senator Maria Elena Durazo (D-Los Angeles)
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator John Laird (D-Santa Cruz)
- Senator Mike McGuire (D-Healdsburg)
- Senator Melissa Melendez (R-Lake Elsinore)
- Senator Dave Min (D-Irvine)
- Senator Josh Newman (D-Fullerton)
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa)
- Senator Richard Pan (D-Sacramento)
- Senator Henry I. Stern (D-Canoga Park)
- Senator Bob Wieckowski (D-Fremont)
- Senator Scott Wilk (R-Santa Clarita)
- \*Vacancy

### *Business, Professions and Economic Development*

- **Senator Richard D. Roth (D-Riverside), Chair.**
- Senator Melissa Melendez (R-Lake Elsinore), Vice Chair.
- Senator Bob Archuleta (D-Pico Rivera)
- Senator Patricia C. Bates (R-Laguna Niguel)
- Senator Josh Becker (D-Menlo Park)
- Senator Bill Dodd (D-Napa)
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator Melissa Hurtado (D-Sanger)
- Senator Connie M. Leyva (D-Chino)

- Senator Dave Min (D-Irvine)
- Senator Josh Newman (D-Fullerton)
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa)
- Senator Richard Pan (D-Sacramento)
- Senator Scott Wilk (R-Santa Clarita)

### *Education*

- **Senator Connie M. Leyva (D-Chino), Chair.**
- Senator Scott Wilk (R-Santa Clarita), Vice Chair.
- Senator Dave Cortese (D-San Jose)
- Senator Steven M. Glazer (D-Contra Costa)
- Senator Mike McGuire (D-Healdsburg)
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa)
- Senator Richard Pan (D-Sacramento)

### *Elections and Constitutional Amendments*

- **Senator Steven M. Glazer (D-Contra Costa), Chair.**
- Senator Jim Nielsen (R-Tehama), Vice Chair.
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Connie M. Leyva (D-Chino)
- Senator Josh Newman (D-Fullerton)

### *Energy, Utilities and Communications*

- **Senator Ben Hueso (D-San Diego), Chair.**
- Senator, Brian Dahle (R-Bieber), Vice Chair.
- Senator Josh Becker (D-Menlo Park)
- Senator Andres Borgeas (R-Fresno)
- Senator Steven Bradford (D-Gardena)
- Senator Bill Dodd (D-Napa)
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator Lena A. Gonzalez (D-Long Beach)
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Mike McGuire (D-Healdsburg)
- Senator Dave Min (D-Irvine)
- Senator Susan Rubio (D-Baldwin Park)
- Senator Henry I. Stern (D-Canoga Park)
- Senator Scott Wilk (R-Santa Clarita)



### *Environmental Quality*

- **Senator Benjamin Allen (D-Santa Monica), Chair.**
- Senator Patricia C. Bates (R-Laguna Niguel), Vice Chair.
- Senator Brian Dahle (R-Bieber)
- Senator Lena A. Gonzalez (D-Long Beach)
- Senator Nancy Skinner (D-Berkeley)
- Senator Henry I. Stern (D-Canoga Park)
- Senator Bob Wieckowski (D-Fremont)

### *Governance and Finance*

- **Senator Mike McGuire (D-Healdsburg), Chair.**
- Senator Jim Nielsen (R-Tehama), Vice Chair.
- Senator Maria Elena Durazo (D-Los Angeles)
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Scott D. Wiener (San Francisco)

### *Governmental Organization*

- **Senator Bill Dodd (D-Napa), Chair.**
- Senator Scott Wilk (R-Santa Clarita), Vice Chair.
- Senator Benjamin Allen (D-Santa Monica)
- Senator Bob Archuleta (D-Pico Rivera)
- Senator Josh Becker (D-Menlo Park)
- Senator Andreas Borgeas (R-Fresno)
- Senator Steven Bradford (D-Gardena)
- Senator Steven M. Glazer (D-Contra Costa)
- Senator Ben Hueso (D-San Diego)
- Senator Brian W. Jones (R-Santee)
- Senator Jim Nielsen (R-Tehama)
- Senator Anthony J. Portantino (D-La Cañada Flintridge)
- Senator Susan Rubio (D-Baldwin Park)
- \*Vacancy

### *Health*

- **Senator Richard Pan (D-Sacramento), Chair.**
- Senator Melissa Melendez (R-Lake Elsinore) Vice Chair.
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator Lena A. Gonzalez (D-Long Beach)
- Senator Shannon Grove (R-Bakersfield)
- Senator Melissa Hurtado (D-Sanger)
- Senator Connie M. Leyva (D-Chino)
- Senator S. Monique Limón (D-Santa Barbara)

- Senator Richard D. Roth (D-Riverside)
- Senator Susan Rubio (D-Baldwin Park)
- Senator Scott D. Wiener (D-San Francisco)

### *Housing*

- **Senator Scott D. Wiener (D-San Francisco), Chair.**
- Senator Patricia C. Bates (R-Laguna Niguel), Vice Chair.
- Senator Anna M. Caballero (D-Salinas)
- Senator Dave Cortese (D-San Jose)
- Senator Mike McGuire (D-Healdsburg)
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa)
- Senator Nancy Skinner (D-Berkeley)
- Senator Thomas J. Umberg (D-Santa Ana)
- Senator Bob Wieckowski (D-Fremont)

### *Human Services*

- **Senator Melissa Hurtado (D-Sanger), Chair.**
- Senator Brian W. Jones (R-Santee), Vice Chair.
- Senator Dave Cortese (D-San Jose)
- Senator Richard Pan (D-Sacramento)
- \*Vacancy

### *Insurance*

- **Senator Susan Rubio (D-Baldwin Park), Chair.**
- Senator Brian W. Jones (R-Santee), Vice Chair.
- Senator Bob Archuleta (D-Pico Rivera)
- Senator Patricia C. Bates (R-Laguna Niguel)
- Senator Andreas Borgeas (R-Fresno)
- Senator Bill Dodd (D-Napa)
- Senator Steven M. Glazer (D-Contra Costa)
- Senator Ben Hueso (D-San Diego)
- Senator Melissa Hurtado (D-Sanger)
- Senator Melissa Melendez (R-Lake Elsinore)
- Senator Anthony J. Portantino (D-La Cañada Flintridge)
- Senator Richard D. Roth (D-Riverside)

### *Judiciary*

- **Senator Thomas J. Umberg (D-Santa Ana), Chair.**
- Senator Andreas Borgeas (R-Fresno), Vice Chair.
- Senator Anna M. Caballero (D-Salinas)
- Senator Maria Elena Durazo (D-Los Angeles)

- Senator Lena A. Gonzalez (D-Long Beach)
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Brian W. Jones (R-Santee)
- Senator John Laird (D-Santa Cruz)
- Senator Henry I. Stern (D-Canoga Park)
- Senator Bob Wieckowski (D-Fremont)
- Senator Scott D. Wiener (D-San Francisco)

*Labor, Public Employment and Retirement*

- **Senator Dave Cortese (D-San Jose), Chair.**
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa), Vice Chair.
- Senator Maria Elena Durazo (D-Los Angeles)
- Senator John Laird (D-Santa Cruz)
- Senator Josh Newman (D-Fullerton)

*Natural Resources and Water*

- **Senator Henry I. Stern (D-Canoga Park), Chair.**
- Senator Brian W. Jones (R-Santee), Vice Chair.
- Senator Benjamin Allen (D-Santa Monica)
- Senator Andreas Borgeas (R-Fresno)
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Ben Hueso (D-San Diego)
- Senator John Laird (D-Santa Cruz)
- Senator S. Monique Limón (D-Santa Barbara)

*Public Safety*

- **Senator Steven Bradford (D-Gardena), Chair.**
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa), Vice Chair.
- Senator Nancy Skinner (D-Berkeley)
- Senator Scott D. Wiener (San Francisco)
- \*Vacancy

*Rules*

- **Senate President pro Tempore Toni G. Atkins (D-San Diego), Chair.**
- Senator Scott Wilk (R-Santa Clarita), Vice Chair.
- Senator Patricia C. Bates (R-Laguna Niguel)
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator John Laird (D-Santa Cruz)

### *Transportation*

- **Senator Lena A. Gonzalez (D-Long Beach), Chair.**
- Senator Patricia C. Bates (R-Laguna Niguel), Vice Chair.
- Senator Benjamin Allen (D-Santa Monica)
- Senator Bob Archuleta (D-Pico Rivera)
- Senator Josh Becker (D-Menlo Park)
- Senator Dave Cortese (D-San Jose)
- Senator Brian Dahle (R-Bieber)
- Senator Bill Dodd (D-Napa)
- Senator Mike McGuire (D-Healdsburg)
- Senator Melissa Melendez (R-Lake Elsinore)
- Senator Dave Min (D-Irvine)
- Senator Josh Newman (D-Fullerton)
- Senator Susan Rubio (D-Baldwin Park)
- Senator Nancy Skinner (D-Berkeley)
- Senator Thomas J. Umberg (D-Santa Ana)
- Senator Bob Wieckowski (D-Fremont)
- Senator Scott Wilk (R-Santa Clarita)

### *Military and Veterans Affairs*

- **Senator Bob Archuleta (D-Pico Rivera), Chair.**
- Senator Shannon Grove (R-Bakersfield), Vice Chair.
- Senator Susan Talamantes Eggman (D-Stockton)
- Senator Melissa Melendez (R-Lake Elsinore)
- Senator Josh Newman (D-Fullerton)
- Senator Richard D. Roth (D-Riverside)
- Senator Thomas J. Umberg (D-Santa Ana)

### **Budget Sub-Committees**

#### *Budget Subcommittee #1 on Education*

- **Senator John Laird (D-Santa Cruz), Chair.**
- Senator Dave Min (D-Irvine)
- Senator Rosilicie Ochoa-Bogh (R-Yucaipa)

#### *Budget Subcommittee #2 on Resources, Environmental Protection and Energy*

- **Senator Bob Wieckowski (D-Fremont), Chair.**
- Senator Brian Dahle (R-Bieber)
- Senator Mike McGuire (D-Healdsburg)
- Senator Henry I. Stern (D-Canoga Park)

*Budget Subcommittee #3 on Health and Human Services*

- **Senator Susan Talamantes Eggman (D-Stockton), Chair.**
- Senator Melissa Melendez (R-Lake Elsinore)
- Senator Richard Pan (D-Sacramento)

*Budget Subcommittee #4 on State Administration and General Government*

- **Senator Anna M. Caballero (D-Salinas), Chair.**
- Senator Jim Nielsen (R-Tehama)
- \*Vacancy

*Budget Subcommittee #5 on Corrections, Public Safety, Judiciary, Labor and Transportation*

- **Senator Maria Elena Durazo (D-Los Angeles), Chair.**
- Senator Dave Cortese (D-San Jose)
- Senator Josh Newman (D-Fullerton)
- Senator Scott Wilk (R-Santa Clarita)

**Joint Committees**

*Joint Legislative Audit Committee*

- **Senator John Laird (D-Santa Cruz), Vice Chair.**
- Senator Josh Becker (D-Menlo Park)
- Senator Andreas Borgeas (R-Fresno)
- Senator Steven M. Glazer (D-Contra Costa)
- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Connie M. Leyva (D-Chino)
- Senator Jim Nielsen (R-Tehama)

*Joint Committee on the Arts*

- **Senator Benjamin Allen (D-Santa Monica), Chair.**
- Senator Richard Pan (D-Sacramento)
- Senator Henry I. Stern (D-Canoga Park)
- Senator Scott Wilk (R-Santa Clarita)
- \*Vacancy

*Joint Legislative Committee on Climate Change Policies*

- **Senator Josh Becker (D-Menlo Park), Vice Chair.**
- Senator Benjamin Allen (D-Santa Monica)
- Senator Nancy Skinner (D-Berkeley)

- Senator Henry I. Stern (D-Canoga Park)

*Joint Legislative Committee on Emergency Management*

- **Senator Henry I. Stern (D-Canoga Park), Chair.**
- Senator Patricia C. Bates (R-Laguna Niguel)
- Senator Bill Dodd (D-Napa)
- Senator S. Monique Limón (D-Santa Barbara)
- Senator Mike McGuire (D-Healdsburg)
- Senator Josh Newman (D-Fullerton)
- Senator Richard Pan (D-Sacramento)

*Joint Committee on Fisheries and Aquaculture*

- **Senator Mike McGuire (D-Healdsburg), Chair**
- Senator Ben Hueso (D-San Diego)
- Senator Jim Nielsen (R-Tehama)
- \*Vacancy

*Joint. Committee on Fairs Allocation and Classification*

- **Senator Anna M. Caballero (D-Salinas), Vice Chair.**
- Senator Steve Bradford (D-Gardenia)
- Senator Brian Dahle (R-Bieber)
- Senator Bill Dodd (D-Napa)
- Senator Jim Nielsen (R-Tehama)
- Senator Richard Pan (D-Sacramento)
- \*Vacancy

*Joint Legislative Budget Committee*

- **Senator Nancy Skinner (D-Berkeley), Chair**
- Senator Patricia C. Bates (R-Laguna Niguel)
- Senator Anna M. Caballero (D-Salinas)
- Senator Maria Elena Durazo (D-Los Angeles)
- Senator John Laird (D-Santa Cruz)
- Senator Jim Nielsen (R-Tehama)
- Senator Richard Pan (D-Sacramento)
- Senator Anthony J. Portantino (D-La Cañada Flintridge)

*Joint Committee on Rules*

- Senate President pro Tempore Toni G. Atkins (D-San Diego)
- Senator Patricia C. Bates (R-Laguna Niguel)
- Senator Maria Elena Durazo (D-Los Angeles)

- Senator Robert M. Hertzberg (D-Los Angeles)
- Senator Melissa Hurtado (D-Sanger)
- Senator John Laird (D-Santa Cruz)
- Senator Connie M. Leyva (D-Chino)
- Senator Mike McGuire (D-Healdsburg)
- Senator Jim Nielsen (R-Tehama)
- Senator Richard Pan (D-Sacramento)
- Senator Richard D. Roth (D-Riverside)
- Senator Susan Rubio (D-Baldwin Park)
- Senator Nancy Skinner (D-Berkeley)
- Senator Thomas J. Umberg (D-Santa Ana)
- Senator Scott Wilk (R-Santa Clarita)

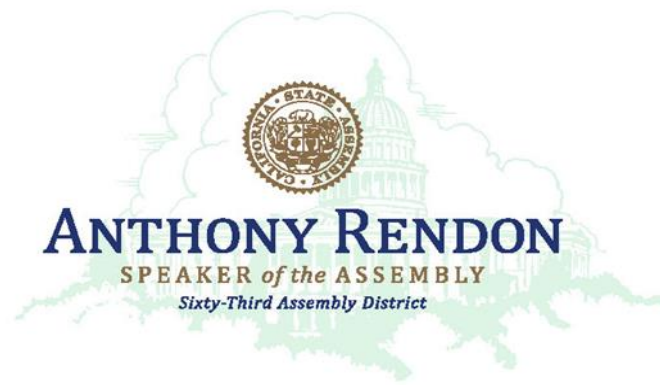
## **Special Committee**

### *Special Committee on Pandemic Emergency Response*

- **Senator Josh Newman (D-Fullerton), Chair.**
- Senator Patricia C. Bates (R-Laguna Niguel), Vice Chair
- Senator Andreas Borgeas (R-Fresno)
- Senator Lena A. Gonzalez (D-Long Beach)
- Senator S. Monique Limón (D-Santa Barbara)
- Senator Mike McGuire (D-Healdsburg)
- Senator Richard Pan (D-Sacramento)
- Senator Richard D. Roth (R-Riverside)

###

**Website of President pro Tempore Toni G. Atkins:** [www.senate.ca.gov/Atkins](http://www.senate.ca.gov/Atkins).



December 12, 2020

Sue Parker  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, California

Dear Ms. Parker:

Please be advised that I have made appointments to the following committees for the 2021-22 Regular Session:

**Accountability and Administrative Review**

Assemblymember Cottie Petrie-Norris, Chair  
Assemblymember Jim Patterson, Vice Chair  
Assemblymember Autumn Burke  
Assemblymember Adam Gray  
Assemblymember Tom Lackey  
Assemblymember Jose Medina  
Assemblymember Freddie Rodriguez

**Aging and Long-Term Care**

Assemblymember Adrin Nazarian, Chair  
Assemblymember Randy Voepel, Vice Chair  
Assemblymember Tasha Boerner Horvath  
Assemblymember Lisa Calderon  
Assemblymember Tom Lackey  
Assemblymember Eloise Reyes  
Assemblymember Blanca Rubio

**Agriculture**

Assemblymember Robert Rivas, Chair  
Assemblymember Devon Mathis, Vice Chair  
Assemblymember Cecilia Aguiar-Curry  
Assemblymember Jordan Cunningham  
Assemblymember Heath Flora  
Assemblymember Adam Gray  
Assemblymember Jacqui Irwin  
Assemblymember Reginald Jones-Sawyer



**Agriculture (continued)**

Assemblymember Marc Levine  
Assemblymember Carlos Villapudua  
Assemblymember Jim Wood

**Appropriations**

Assemblymember Lorena Gonzalez, Chair  
Assemblymember Frank Bigelow, Vice Chair  
Assemblymember Richard Bloom  
Assemblymember Rob Bonta  
Assemblymember Lisa Calderon  
Assemblymember Wendy Carrillo  
Assemblymember Ed Chau  
Assemblymember Megan Dahle  
Assemblymember Laurie Davies  
Assemblymember Vince Fong  
Assemblymember Jesse Gabriel  
Assemblymember Eduardo Garcia  
Assemblymember Sydney Kamlager  
Assemblymember Marc Levine  
Assemblymember Bill Quirk  
Assemblymember Robert Rivas  
I have decreased the size of the committee from 18 to 16 members.

**Arts, Entertainment, Sports, Tourism, and Internet Media**

Assemblymember Sharon Quirk-Silva, Chair  
Assemblymember Suzette Valladares, Vice Chair  
Assemblymember David Chiu  
Assemblymember Steven Choi  
Assemblymember Laura Friedman  
Assemblymember Sydney Kamlager  
Assemblymember Adrin Nazarian

**Banking and Finance**

Assemblymember Timothy Grayson, Chair  
Assemblymember Phillip Chen, Vice Chair  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Autumn Burke  
Assemblymember Sabrina Cervantes  
Assemblymember Steven Choi  
Assemblymember Jesse Gabriel  
Assemblymember Cristina Garcia  
Assemblymember Janet Nguyen  
Assemblymember Mark Stone  
Assemblymember Shirley Weber  
Assemblymember Buffy Wicks

**Budget**

Assemblymember Phil Ting, Chair  
Assemblymember Vince Fong, Vice Chair  
Assemblymember Joaquin Arambula  
Assemblymember Steve Bennett  
Assemblymember Richard Bloom  
Assemblymember Wendy Carrillo  
Assemblymember David Chiu  
Assemblymember Jim Cooper  
Assemblymember Jim Frazier  
Assemblymember James Gallagher  
Assemblymember Cristina Garcia  
Assemblymember Reginald Jones-Sawyer  
Assemblymember Kevin Kiley  
Assemblymember Tom Lackey  
Assemblymember Alex Lee  
Assemblymember Devon Mathis  
Assemblymember Kevin McCarty  
Assemblymember Jose Medina  
Assemblymember Kevin Mullin  
Assemblymember Adrin Nazarian  
Assemblymember Patrick O'Donnell  
Assemblymember Jim Patterson  
Assemblymember James Ramos  
Assemblymember Eloise Reyes  
Assemblymember Luz Rivas  
Assemblymember Blanca Rubio  
Assemblymember Thurston "Smitty" Smith  
Assemblymember Mark Stone  
Assemblymember Suzette Valladares  
Assemblymember Shirley Weber  
Assemblymember Jim Wood

**Budget Subcommittee No. 1 on Health and Human Services**

Assemblymember Joaquin Arambula, Chair  
Assemblymember Jim Frazier  
Assemblymember Devon Mathis  
Assemblymember Jim Patterson  
Assemblymember James Ramos  
Assemblymember Blanca Rubio  
Assemblymember Jim Wood  
Assemblymember Phil Ting, Democratic Alternate  
Assemblymember Vince Fong, Republican Alternate

**Budget Subcommittee No. 2 on Education Finance**

Assemblymember Kevin McCarty, Chair  
Assemblymember James Gallagher  
Assemblymember Alex Lee  
Assemblymember Jose Medina  
Assemblymember Patrick O'Donnell  
Assemblymember Eloise Reyes  
Assemblymember Suzette Valladares  
Assemblymember Phil Ting, Democratic Alternate  
Assemblymember Vince Fong, Republican Alternate

**Budget Subcommittee No. 3 on Climate Crisis, Resources, Energy, and Transportation**

Assemblymember Richard Bloom, Chair  
Assemblymember Steve Bennett  
Assemblymember Cristina Garcia  
Assemblymember Kevin Mullin  
Assemblymember Jim Patterson  
Assemblymember Luz Rivas  
Assemblymember Thurston "Smitty" Smith  
Assemblymember Phil Ting, Democratic Alternate  
Assemblymember Vince Fong, Republican Alternate

**Budget Subcommittee No. 4 on State Administration**

Assemblymember Wendy Carrillo, Chair  
Assemblymember David Chiu  
Assemblymember Jim Cooper  
Assemblymember Tom Lackey  
Assemblymember Adrin Nazarian  
Assemblymember Phil Ting, Democratic Alternate  
Assemblymember Vince Fong, Republican Alternate

**Budget Subcommittee No. 5 on Public Safety**

Assemblymember Shirley Weber, Chair  
Assemblymember Reginald Jones-Sawyer  
Assemblymember Tom Lackey  
Assemblymember Mark Stone  
Assemblymember Suzette Valladares  
Assemblymember Phil Ting, Democratic Alternate  
Assemblymember Vince Fong, Republican Alternate

**Budget Subcommittee No. 6 on Budget Process, Oversight and Program Evaluation**

Assemblymember Phil Ting, Chair  
Assemblymember Joaquin Arambula  
Assemblymember Richard Bloom  
Assemblymember Wendy Carrillo  
Assemblymember Vince Fong

**Budget Subcommittee No. 6 on Budget Process, Oversight and Program Evaluation**  
**(continued)**

Assemblymember Kevin Kiley  
Assemblymember Kevin McCarty  
Assemblymember Thurston “Smitty” Smith  
Assemblymember Shirley Weber

**Business and Professions**

Assemblymember Evan Low, Chair  
Assemblymember Heath Flora, Vice Chair  
Assemblymember Joaquin Arambula  
Assemblymember Marc Berman  
Assemblymember Richard Bloom  
Assemblymember Phillip Chen  
Assemblymember David Chiu  
Assemblymember Jordan Cunningham  
Assemblymember Megan Dahle  
Assemblymember Vince Fong  
Assemblymember Mike Gipson  
Assemblymember Timothy Grayson  
Assemblymember Chris Holden  
Assemblymember Jacqui Irwin  
Assemblymember Kevin McCarty  
Assemblymember Jose Medina  
Assemblymember Kevin Mullin  
Assemblymember Rudy Salas  
Assemblymember Phil Ting

**Communications and Conveyance**

Assemblymember Miguel Santiago, Chair  
Assemblymember Jim Patterson, Vice Chair  
Assemblymember Tasha Boerner Horvath  
Assemblymember Rob Bonta  
Assemblymember Sabrina Cervantes  
Assemblymember Laurie Davies  
Assemblymember Eduardo Garcia  
Assemblymember Chris Holden  
Assemblymember Sydney Kamlager  
Assemblymember Evan Low  
Assemblymember Sharon Quirk-Silva  
Assemblymember Freddie Rodriguez  
Assemblymember Suzette Valladares

### **Education**

Assemblymember Patrick O'Donnell, Chair  
Assemblymember Kevin Kiley, Vice Chair  
Assemblymember Steve Bennett  
Assemblymember Megan Dahle  
Assemblymember Alex Lee  
Assemblymember Kevin McCarty  
Assemblymember Shirley Weber

### **Elections**

Assemblymember Marc Berman, Chair  
Assemblymember Kelly Seyarto, Vice Chair  
Assemblymember Steve Bennett  
Assemblymember Evan Low  
Assemblymember Chad Mayes  
Assemblymember Kevin Mullin  
Assemblymember Shirley Weber

### **Emergency Management**

Assemblymember Freddie Rodriguez, Chair  
Assemblymember Kelly Seyarto, Vice Chair  
Assemblymember Cecilia Aguiar-Curry  
Assemblymember Lisa Calderon  
Assemblymember James Gallagher  
Assemblymember Adam Gray  
Assemblymember Christopher Ward

### **Environmental Safety and Toxic Materials**

Assemblymember Bill Quirk, Chair  
Assemblymember Thurston "Smitty" Smith, Vice Chair  
Assemblymember Joaquin Arambula  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Megan Dahle  
Assemblymember Cristina Garcia  
Assemblymember Chris Holden  
Assemblymember Devon Mathis  
Assemblymember Al Muratsuchi

### **Governmental Organization**

Assemblymember Jim Frazier, Chair  
Assemblymember Frank Bigelow, Vice Chair  
Assemblymember Cecilia Aguiar-Curry  
Assemblymember Marc Berman  
Assemblymember Rob Bonta  
Assemblymember Ken Cooley  
Assemblymember Jim Cooper

**Governmental Organization (continued)**

Assemblymember Tom Daly  
Assemblymember Laurie Davies  
Assemblymember James Gallagher  
Assemblymember Eduardo Garcia  
Assemblymember Mike Gipson  
Assemblymember Reginald Jones-Sawyer  
Assemblymember Tom Lackey  
Assemblymember Evan Low  
Assemblymember Devon Mathis  
Assemblymember Sharon Quirk-Silva  
Assemblymember James Ramos  
Assemblymember Robert Rivas  
Assemblymember Blanca Rubio  
Assemblymember Rudy Salas  
Assemblymember Thurston "Smitty" Smith  
I have increased the size of the committee from 21 to 22 members.

**Health**

Assemblymember Jim Wood, Chair  
Assemblymember Chad Mayes, Vice Chair  
Assemblymember Cecilia Aguiar-Curry  
Assemblymember Frank Bigelow  
Assemblymember Rob Bonta  
Assemblymember Autumn Burke  
Assemblymember Wendy Carrillo  
Assemblymember Heath Flora  
Assemblymember Brian Maienschein  
Assemblymember Kevin McCarty  
Assemblymember Adrin Nazarian  
Assemblymember Luz Rivas  
Assemblymember Freddie Rodriguez  
Assemblymember Miguel Santiago  
Assemblymember Marie Waldron

**Higher Education**

Assemblymember Jose Medina, Chair  
Assemblymember Steven Choi, Vice Chair  
Assemblymember Joaquin Arambula  
Assemblymember Richard Bloom  
Assemblymember Jesse Gabriel  
Assemblymember Jacqui Irwin  
Assemblymember Kevin Kiley  
Assemblymember Marc Levine  
Assemblymember Evan Low  
Assemblymember Miguel Santiago

**Higher Education (continued)**

Assemblymember Suzette Valladares  
Assemblymember Shirley Weber

**Housing and Community Development**

Assemblymember David Chiu, Chair  
Assemblymember Kelly Seyarto, Vice Chair  
Assemblymember Jesse Gabriel  
Assemblymember Ash Kalra  
Assemblymember Kevin Kiley  
Assemblymember Brian Maienschein  
Assemblymember Sharon Quirk-Silva  
Assemblymember Buffy Wicks

**Human Services**

Assemblymember Lisa Calderon, Chair  
Assemblymember Janet Nguyen, Vice Chair  
Assemblymember Joaquin Arambula  
Assemblymember Steven Choi  
Assemblymember Mike Gipson  
Assemblymember Mark Stone  
Assemblymember Carlos Villapudua  
Assemblymember Christopher Ward

**Insurance**

Assemblymember Tom Daly, Chair  
Assemblymember Chad Mayes, Vice Chair  
Assemblymember Marc Berman  
Assemblymember Frank Bigelow  
Assemblymember Phillip Chen  
Assemblymember Ken Cooley  
Assemblymember Jim Cooper  
Assemblymember Jim Frazier  
Assemblymember Mike Gipson  
Assemblymember Timothy Grayson  
Assemblymember Sydney Kamlager  
Assemblymember Freddie Rodriguez  
Assemblymember Randy Voepel  
Assemblymember Jim Wood

**Jobs, Economic Development, and the Economy**

Assemblymember Sabrina Cervantes, Chair  
Assemblymember Jordan Cunningham, Vice Chair  
Assemblymember Tasha Boerner Horvath  
Assemblymember Ed Chau  
Assemblymember Sharon Quirk-Silva

**Jobs, Economic Development, and the Economy (continued)**

Assemblymember James Ramos  
Assemblymember Thurston "Smitty" Smith

**Judiciary**

Assemblymember Mark Stone, Chair  
Assemblymember James Gallagher, Vice Chair  
Assemblymember Ed Chau  
Assemblymember David Chiu  
Assemblymember Laurie Davies  
Assemblymember Lorena Gonzalez  
Assemblymember Chris Holden  
Assemblymember Ash Kalra  
Assemblymember Kevin Kiley  
Assemblymember Brian Maienschein  
Assemblymember Eloise Reyes

**Labor and Employment**

Assemblymember Ash Kalra, Chair  
Assemblymember Heath Flora, Vice Chair  
Assemblymember Lorena Gonzalez  
Assemblymember Reginald Jones-Sawyer  
Assemblymember Eloise Reyes  
Assemblymember Kelly Seyarto  
Assemblymember Christopher Ward

**Local Government**

Assemblymember Cecilia Aguiar-Curry, Chair  
Assemblymember Tom Lackey, Vice Chair  
Assemblymember Richard Bloom  
Assemblymember Tasha Boerner Horvath  
Assemblymember James Ramos  
Assemblymember Luz Rivas  
Assemblymember Robert Rivas  
Assemblymember Randy Voepel

**Military and Veterans Affairs**

Assemblymember Jacqui Irwin, Chair  
Assemblymember Randy Voepel, Vice Chair  
Assemblymember Tasha Boerner Horvath  
Assemblymember Tom Daly  
Assemblymember Jim Frazier  
Assemblymember Devon Mathis  
Assemblymember Al Muratsuchi  
Assemblymember Cottie Petrie-Norris  
Assemblymember James Ramos



**Military and Veterans Affairs (continued)**

Assemblymember Rudy Salas  
Assemblymember Thurston "Smitty" Smith

**Natural Resources**

Assemblymember Luz Rivas, Chair  
Assemblymember Heath Flora, Vice Chair  
Assemblymember Ed Chau  
Assemblymember Laura Friedman  
Assemblymember Cristina Garcia  
Assemblymember Devon Mathis  
Assemblymember Kevin McCarty  
Assemblymember Al Muratsuchi  
Assemblymember Kelly Seyarto  
Assemblymember Mark Stone  
Assemblymember Jim Wood

**Privacy and Consumer Protection**

Assemblymember Ed Chau, Chair  
Assemblymember Kevin Kiley, Vice Chair  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Steve Bennett  
Assemblymember Wendy Carrillo  
Assemblymember Jordan Cunningham  
Assemblymember Jesse Gabriel  
Assemblymember James Gallagher  
Assemblymember Jacqui Irwin  
Assemblymember Alex Lee  
Assemblymember Buffy Wicks

**Public Employment and Retirement**

Assemblymember Jim Cooper, Chair  
Assemblymember Randy Voepel, Vice Chair  
Assemblymember Lisa Calderon  
Assemblymember Sabrina Cervantes  
Assemblymember Ken Cooley  
Assemblymember Patrick O'Donnell  
Assemblymember Kelly Seyarto

**Public Safety**

Assemblymember Reginald Jones-Sawyer, Chair  
Assemblymember Tom Lackey, Vice Chair  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Sydney Kamlager  
Assemblymember Bill Quirk

**Public Safety (continued)**

Assemblymember Miguel Santiago  
Assemblymember Kelly Seyarto  
Assemblymember Buffy Wicks

**Revenue and Taxation**

Assemblymember Autumn Burke, Chair  
Assemblymember Janet Nguyen, Vice Chair  
Assemblymember Adam Gray  
Assemblymember Timothy Grayson  
Assemblymember Marc Levine  
Assemblymember Chad Mayes  
Assemblymember Kevin Mullin  
Assemblymember Cottie Petrie-Norris  
Assemblymember Bill Quirk  
Assemblymember Luz Rivas  
Assemblymember Kelly Seyarto

**Rules**

Assemblymember Ken Cooley, Chair  
Assemblymember Jordan Cunningham, Vice Chair  
Assemblymember Steve Bennett  
Assemblymember Heath Flora  
Assemblymember Mike Gipson  
Assemblymember Sydney Kamlager  
Assemblymember Alex Lee  
Assemblymember Marc Levine  
Assemblymember Brian Maienschein  
Assemblymember Devon Mathis  
Assemblymember James Ramos  
Assemblymember Carlos Villapudua  
Assemblymember Blanca Rubio, Democratic Alternate  
Assemblymember Suzette Valladares, Republican Alternate

**Transportation**

Assemblymember Laura Friedman, Chair  
Assemblymember Vince Fong, Vice Chair  
Assemblymember Marc Berman  
Assemblymember Jordan Cunningham  
Assemblymember Tom Daly  
Assemblymember Laurie Davies  
Assemblymember Mike Gipson  
Assemblymember Ash Kalra  
Assemblymember Alex Lee  
Assemblymember Jose Medina  
Assemblymember Adrin Nazarian

**Transportation (continued)**

Assemblymember Janet Nguyen  
Assemblymember Patrick O'Donnell  
Assemblymember Christopher Ward  
Assemblymember Buffy Wicks

**Utilities and Energy**

Assemblymember Chris Holden, Chair  
Assemblymember Jim Patterson, Vice Chair  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Autumn Burke  
Assemblymember Wendy Carrillo  
Assemblymember Phillip Chen  
Assemblymember Jordan Cunningham  
Assemblymember Cristina Garcia  
Assemblymember Eduardo Garcia  
Assemblymember Chad Mayes  
Assemblymember Al Muratsuchi  
Assemblymember Bill Quirk  
Assemblymember Eloise Reyes  
Assemblymember Miguel Santiago  
Assemblymember Phil Ting

**Water, Parks, and Wildlife**

Assemblymember Eduardo Garcia, Chair  
Assemblymember Megan Dahle, Vice Chair  
Assemblymember Steve Bennett  
Assemblymember Frank Bigelow  
Assemblymember Laura Friedman  
Assemblymember Cristina Garcia  
Assemblymember Ash Kalra  
Assemblymember Marc Levine  
Assemblymember Al Muratsuchi  
Assemblymember Janet Nguyen  
Assemblymember Blanca Rubio  
Assemblymember Rudy Salas  
Assemblymember Thurston "Smitty" Smith  
Assemblymember Carlos Villapudua  
Assemblymember Christopher Ward  
I have increased the size of the committee from 14 to 15 members.

**Joint Legislative Audit**

Assemblymember Rudy Salas, Chair  
Assemblymember Tasha Boerner Horvath  
Assemblymember Kevin Kiley  
Assemblymember Jim Patterson

**Joint Legislative Audit (continued)**

Assemblymember Blanca Rubio  
Assemblymember Randy Voepel  
Assemblymember Jim Wood

**Joint Legislative Budget**

Assemblymember Phil Ting, Vice Chair  
Assemblymember Joaquin Arambula  
Assemblymember Richard Bloom  
Assemblymember Vince Fong  
Assemblymember Kevin Kiley  
Assemblymember Kevin McCarty  
Assemblymember Luz Rivas  
Assemblymember Shirley Weber

**Legislative Ethics**

Assemblymember Buffy Wicks, Co-Chair  
Assemblymember Jordan Cunningham, Co-Chair  
Assemblymember Marc Berman  
Assemblymember Steven Choi  
Assemblymember Heath Flora  
Assemblymember Eloise Reyes

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Rendon', with a stylized flourish at the end.

**ANTHONY RENDON**  
Speaker of the Assembly



**Orange County Transportation Authority Legislative Matrix**  
**2021 State Legislation Session**  
**January 21, 2021**

▶ AB 5	<p><b>AUTHOR:</b> Fong [R]  <b>TITLE:</b> Greenhouse Gas Reduction Fund: High Speed Rail  <b>INTRODUCED:</b> 12/07/2020  <b>LOCATION:</b> Assembly  <b>SUMMARY:</b>  Suspends the appropriation to the High-Speed Rail Authority for the 2021-22 and 2022-23 fiscal years and requires the transfer of those amounts from moneys collected by the State Air Resources Board to the General Fund. Specifies that the transferred amounts shall be available to support K-12 education and to offset any funding reduction for K-12 education.  <b>STATUS:</b>  12/07/2020 INTRODUCED.  <b>CATEGORY:</b> Rail and Transit</p>
▶ AB 11	<p><b>AUTHOR:</b> Ward [D]  <b>TITLE:</b> Climate Change: Regional Coordinating Groups  <b>INTRODUCED:</b> 12/07/2020  <b>LOCATION:</b> Assembly  <b>SUMMARY:</b>  Requires the Strategic Growth Council to establish up to 12 regional climate change coordinating groups to develop and work on climate adaptation for their communities. Authorizes the regional climate change coordinating groups to engage in certain activities to address climate change.  <b>STATUS:</b>  12/07/2020 INTRODUCED.  <b>CATEGORY:</b> Environment</p>
▶ AB 29	<p><b>AUTHOR:</b> Cooper [D]  <b>TITLE:</b> State Bodies: Meetings  <b>INTRODUCED:</b> 12/07/2020  <b>LOCATION:</b> Assembly  <b>SUMMARY:</b>  Requires that the notice of a meeting of a state body include all writings or materials provided for the noticed meeting to a member of the state body by the staff of a state agency, board, or commission, or another member of the state body that are in connection with a matter subject of discussion or consideration at the meeting.  <b>STATUS:</b>  12/07/2020 INTRODUCED.  <b>CATEGORY:</b> Miscellaneous</p>

▶ AB 43	<b>AUTHOR:</b>	Friedman [D]
	<b>TITLE:</b>	Traffic Safety
	<b>INTRODUCED:</b>	12/07/2020
	<b>LOCATION:</b>	Assembly
	<b>SUMMARY:</b>	Requires the California Department of Transportation to convene a committee of external design experts to advise on revisions to the Highway Design Manual. Requires the California Traffic Safety Program to include a traffic safety monitoring program that identifies and addresses locations with pedestrian- and bicyclist-related crashes, upon appropriation of state funds for this purpose.
	<b>STATUS:</b>	
	12/07/2020	INTRODUCED.
	<b>CATEGORY:</b>	Planning

▶ AB 50	<b>AUTHOR:</b>	Boerner Horvath [D]
	<b>TITLE:</b>	Climate Adaptation Center and Regional Support Network
	<b>INTRODUCED:</b>	12/07/2020
	<b>LOCATION:</b>	Assembly
	<b>SUMMARY:</b>	Establishes the Climate Adaptation Center and Regional Support Network in the Ocean Protection Council to provide local governments facing sea level rise challenges with information and scientific expertise necessary to proceed with sea level rise mitigation.
	<b>STATUS:</b>	
	12/07/2020	INTRODUCED.
	<b>CATEGORY:</b>	Environment

▶ AB 51	<b>AUTHOR:</b>	Quirk [D]
	<b>TITLE:</b>	Regional Climate Adaptation Planning Groups
	<b>INTRODUCED:</b>	12/07/2020
	<b>LOCATION:</b>	Assembly
	<b>SUMMARY:</b>	Requires the Strategic Growth Council, by July 1, 2022, to establish guidelines for the formation of regional climate adaptation planning groups. Requires the council, by July 1, 2023, and in consultation with certain state entities, to develop criteria for the development of regional climate adaptation plans.
	<b>STATUS:</b>	
	12/07/2020	INTRODUCED.
	<b>CATEGORY:</b>	Planning

► AB 67	<p><b>AUTHOR:</b> Petrie-Norris [D]</p> <p><b>TITLE:</b> Sea Level Rise: Working Group: Economic Analysis</p> <p><b>INTRODUCED:</b> 12/07/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b> Requires a state agency to take into account the current and future impacts of sea level rise when planning, designing, building, operating, maintaining, and investing in infrastructure located in the coastal zone or otherwise vulnerable to flooding from sea level rise or storm surges, or when otherwise approving the allocation of state funds for those purposes.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Environment</p>
► AB 72	<p><b>AUTHOR:</b> Petrie-Norris [D]</p> <p><b>TITLE:</b> Environmental Protection: Coastal Adaptation Projects</p> <p><b>INTRODUCED:</b> 12/07/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b> Enacts the Coastal Adaptation Permitting Act of 2021. Requires the Natural Resources Agency to explore, and authorize it to implement, options within the agency's jurisdiction to establish a more coordinated and efficient regulatory review and permitting process for coastal adaptation projects.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Environment</p>
► AB 95	<p><b>AUTHOR:</b> Low [D]</p> <p><b>TITLE:</b> Employees: Bereavement Leave</p> <p><b>INTRODUCED:</b> 12/07/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b> Enacts the Bereavement Leave Act of 2021. Requires an employer with 25 or more employees to grant an employee up to 10 business days of unpaid bereavement leave upon the death of a spouse, child, parent, sibling, grandparent, grandchild, or domestic partner, in accordance with certain procedures, and subject to certain exclusions. Requires an employer with fewer than 25 employees to grant up to 3 business days of leave.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Employment Terms &amp; Conditions</p>

► AB 96	<p><b>AUTHOR:</b> O'Donnell [D]</p> <p><b>TITLE:</b> Clean Truck, Bus, and Off-Road Vehicle and Technology</p> <p><b>INTRODUCED:</b> 12/07/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b>  Extends the requirement that 20 percent of funding be made available to support early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology until December 31, 2026. The bill would further require at least 20 percent of that funding support early commercial deployment of existing near-zero-emission heavy-duty truck technology.</p> <p><b>STATUS:</b>  12/07/2020                      INTRODUCED.</p> <p><b>CATEGORY:</b> Funding</p>
► AB 108	<p><b>AUTHOR:</b> Cunningham [R]</p> <p><b>TITLE:</b> Governor's Emergency Orders and Regulations: Approval</p> <p><b>INTRODUCED:</b> 12/16/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b>  Permits an order or regulation, or an amendment or rescission thereof, issued pursuant to specified California Emergency Services Act provisions 60 or more days after the proclamation, to take effect only if approved by a concurrent resolution of the Legislature.</p> <p><b>STATUS:</b>  12/07/2020                      INTRODUCED.</p> <p><b>CATEGORY:</b> Emergency Service Response</p>
► AB 111	<p><b>AUTHOR:</b> Boerner Horvath [D]</p> <p><b>TITLE:</b> San Diego Association of Governments: LOSSAN Rail</p> <p><b>INTRODUCED:</b> 12/17/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b>  Appropriates \$5 million from the General Fund to the San Diego Association of Governments to conduct a study of higher speed and safety alternatives for the Los Angeles-San Diego-San Luis Obispo passenger rail corridor in the County of San Diego. Requires the San Diego Association of Governments to conduct the study, and requires the San Diego Association of Governments to submit a report to the Legislature and specified committees of the Legislature summarizing the results of the study.</p> <p><b>STATUS:</b>  12/07/2020                      INTRODUCED.</p> <p><b>CATEGORY:</b> Rail and Transit</p>



► AB 117	<p><b>AUTHOR:</b> Boerner Horvath [D]</p> <p><b>TITLE:</b> Air Quality Improvement Program: Electric Bicycles</p> <p><b>INTRODUCED:</b> 12/18/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b> Specifies projects providing incentives for purchasing electric bicycles as projects eligible for funding under the Air Quality Improvement Program. Requires the State Air Resources Board, by July 1, 2022, to establish and implement and administer, until January 1, 2028, the Electric Bicycle Rebate Pilot Project to provide rebates for purchases of electric bicycles.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Funding</p>
► AB 123	<p><b>AUTHOR:</b> Gonzalez [D]</p> <p><b>TITLE:</b> Paid Family Leave: Weekly Benefit Amount</p> <p><b>INTRODUCED:</b> 12/18/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b> Revises the formula for determining benefits available pursuant to the family temporary disability insurance program, for periods of disability commencing after January 1, 2022, by redefining the weekly benefit amount to be equal to 90 percent of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation disability indemnity weekly benefit amount.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Employment Terms &amp; Conditions</p>
► ACA 1	<p><b>AUTHOR:</b> Aguiar-Curry [D]</p> <p><b>TITLE:</b> Local Government Financing: Affordable Housing</p> <p><b>INTRODUCED:</b> 12/07/2020</p> <p><b>LOCATION:</b> Assembly</p> <p><b>SUMMARY:</b> Creates an additional exception to the 1 percent ad valorem tax rate limit on real property that would authorize a city, county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, if the proposition proposing the tax is approved by 55 percent of the voters of the city or county, and the proposition includes accountability requirements.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Miscellaneous</p>

► SB 10	<b>AUTHOR:</b>	Wiener [D]
	<b>TITLE:</b>	Planning and Zoning: Housing Development: Density
	<b>INTRODUCED:</b>	12/07/2020
	<b>LOCATION:</b>	Senate
	<b>SUMMARY:</b>	
	Authorizes a local government to pass an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified in the ordinance, if the parcel is located in a transit-rich area, a jobs-rich area, or an urban infill site, as those terms are defined. Requires the Department of Housing and Community Development to determine jobs-rich areas and publish a map of those areas on a certain frequency.	
	<b>STATUS:</b>	
	12/07/2020	INTRODUCED.
	<b>CATEGORY:</b>	Housing

► SB 30	<b>AUTHOR:</b>	Cortese [D]
	<b>TITLE:</b>	Building Decarbonization
	<b>INTRODUCED:</b>	12/07/2020
	<b>LOCATION:</b>	Senate
	<b>SUMMARY:</b>	
	Prohibits a state agency from designing or constructing a state facility that is connected to the natural gas grid. Requires the State Energy Resources Conservation and Development Commission to develop the California State Building Decarbonization Plan that will lead to the operational carbon-neutrality of all state-owned buildings by January 1, 2035.	
	<b>STATUS:</b>	
	12/07/2020	INTRODUCED.
	<b>CATEGORY:</b>	Environment

► SB 44	<b>AUTHOR:</b>	Allen [D]
	<b>TITLE:</b>	California Environmental Quality Act: Judicial Review
	<b>INTRODUCED:</b>	12/07/2020
	<b>LOCATION:</b>	Senate
	<b>SUMMARY:</b>	
	Establishes specified procedures for the administrative and judicial review of the environmental review and approvals granted for environmental leadership transit project, as defined, undertaken by a public agency.	
	<b>STATUS:</b>	
	12/07/2020	INTRODUCED.
	<b>CATEGORY:</b>	Environment

► SB 66	<p><b>AUTHOR:</b> Allen [D]</p> <p><b>TITLE:</b> California Council on the Future of Transportation</p> <p><b>INTRODUCED:</b> 12/07/2020</p> <p><b>LOCATION:</b> Senate</p> <p><b>SUMMARY:</b> Requires the Secretary of Transportation to establish an advisory committee, the California Council on the Future of Transportation, to provide the Governor and the Legislature with recommendations for changes in state policy to ensure that as autonomous vehicles are deployed, they enhance the state's efforts to increase road safety, promote equity, and meet public health and environmental objectives.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Miscellaneous</p>
► SB 83	<p><b>AUTHOR:</b> Allen [D]</p> <p><b>TITLE:</b> California Infrastructure and Economic Development Bank</p> <p><b>INTRODUCED:</b> 12/15/2020</p> <p><b>LOCATION:</b> Senate</p> <p><b>SUMMARY:</b> Creates the Sea Level Rise Revolving Loan Program within the I-Bank to provide low-interest loans to local jurisdictions for the purchase of coastal properties in their jurisdictions identified as vulnerable coastal property. Requires the California Coastal Commission in consultation with the State Lands Commission, and any other applicable state, federal, and local entities, as specified to determine criteria and guidelines for the identification of eligible vulnerable coastal properties.</p> <p><b>STATUS:</b> 12/07/2020 INTRODUCED.</p> <p><b>CATEGORY:</b> Funding</p>



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board



**Subject:** Federal Legislative Status Report

Legislative and Communications Committee Meeting of January 21, 2021

**Present:** Directors Bartlett, Delgleize, Hennessey, Hernandez, and Wagner

**Absent:** None

**Committee Vote**

Following the discussion, no action was taken on this receive and file information item.

**Staff Recommendation**

Receive and file as an information item.



**January 21, 2021**

**To:** Legislative and Communications Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Federal Legislative Status Report

### **Overview**

An update is provided on the enactment of the annual federal appropriations bills and additional economic stimulus legislation. Details are also included on the nomination for a new Secretary of Transportation.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

#### **Bipartisan Federal Funding Agreement**

In the closing months of 2020, a bipartisan group of Senators began negotiating coronavirus (COVID-19) economic relief legislation. Congressional leaders did not release or vote on the annual funding bills, which were written and largely agreed to, so the more contentious COVID-19 relief provisions could be finalized, specifically decisions about which types of relief were necessary before the end of the year. To facilitate this effort, a total of four continuing resolutions were passed and enacted in the month of December, as reported to the Board of Directors (Board) in a memo sent on December 22, 2020, before a bipartisan compromise was reached and ultimately signed into law.

On December 27, 2020, the President signed the wide-ranging legislative package into law. The Orange County Transportation Agency (OCTA) will realize two primary benefits from its enactment. First, the comprehensive end-of-year legislation contains all 12 of the regular annual appropriations bills, including the transportation funding that will provide certainty on federal transportation funding that OCTA receives and budgets for as part of its annual federal funding distributions. Second, the spending package also provides emergency spending in response to the COVID-19 pandemic, specifically

\$14 billion in emergency transit spending and \$10 billion in emergency highway funding. As discussed in greater detail below, this emergency funding, which is in addition to the funding in the annual appropriations bills, flows through formula programs but is governed by a different set of legislative language than the annualized transportation funding.

OCTA, through its advocacy efforts, worked with state, federal, and local partners, notably other transit agencies, the California Transit Association and the American Public Transportation Association, to advocate that any stimulus relief effort provide funding for transportation purposes. A key part of this effort was correspondence, included as Attachment A, from a broad coalition of stakeholders across the State of California voicing support for additional transit funding in any stimulus deal. Building upon previous advocacy efforts, this coalition letter reiterated the need for \$32 billion in transit funding that includes \$3.1 billion for transit agencies in California, which is the same request OCTA and its partners have made in previous letters detailed for the Board.

#### Annual Transportation Funding Bill

The end-of-year legislative package contains an omnibus appropriations bill to provide funding for the entirety of government operations through the remainder of the fiscal year ending September 30, 2021. The \$1.4 trillion omnibus included a transportation funding bill that provides \$86.7 billion in total transportation funding, which is \$553 million above last year's funding level. While there are some minor adjustments within the bill, most transportation programs are funded at or above authorized funding levels. With the one-year extension of the Fixing America's Surface Transportation (FAST) Act, the authorized level for most programs is very similar to the funding amount provided last year.

A program-specific breakdown of the funding provided by the transportation funding bill is included as Attachment B. These funding amounts represent the levels in the annual transportation funding bill and do not include the emergency funding. The emergency funding is governed by unique legislative language since this funding is intended to help agencies respond to the ongoing effects of the pandemic. Funding provided by the transportation funding bill, governed by the authorizing language in FAST Act, facilitates the routine annual distribution process. With this distinction in mind, this section of the staff report discusses the transportation funding bill.

Similar to previous years, the transportation funding bill provides \$2 billion from the General Fund for Federal-aid Highways formula programs, representing a \$166 million decrease from last year. Of this funding, \$1.08 billion for bridge replacement and \$640.65 million for Surface Transportation Block Grant Program (STBG) eligible projects, including an alternative fuel charging

infrastructure. Both these amounts track closely to the funding set-asides contained in previous transportation funding bills.

The transportation funding bill also provides \$1 billion for the competitive Better Utilizing Investments to Leverage Development (BUILD) program, the same amount of funding as last year provided for multimodal surface transportation projects. Similar to previous transportation funding bills, BUILD grants must be split evenly between rural and urban areas, which are defined as areas with a population over 200,000, and no more than ten percent of BUILD funds may go to any one state. The bill language specifies that BUILD grant awards should be between \$5 million and \$25 million. Unlike previous bills, there is a one percent, or \$10 million, planning set-aside for projects in “areas of persistent poverty,” defined as counties that have with at least 20 percent of the population living in poverty for the 30 years preceding the bill’s enactment according to census estimates.

The legislation also provides \$510 million in funding above authorized levels for transit formula programs out of the General Fund. As detailed in Attachment B, the transit funding increase largely benefits transit bus programs, with \$368 million directed to the three main bus programs (Section 5339). The bill also provides \$2.014 billion in funding for the Capital Investments Grants (CIG) program, which includes \$1.169 billion for New Starts projects, \$525 million for Core Capacity projects, \$200 million for Small Starts projects, and \$100 million for the CIG delivery pilot project authorized by the FAST Act. The overall CIG funding level is slightly higher than last year’s enacted level, and the bill maintains language from previous bills directing that CIG projects continue to move through the project approval process.

The funding bill’s more than \$2.5 billion in intercity passenger rail funding provides \$2 billion to Amtrak, \$200 million to the Federal Railroad Administration’s Federal-State Partnership for State of Good Repair grants, and \$375 million to the Consolidated Rail Infrastructure and Safety Improvements program, among other programs. Of the \$2 billion for Amtrak, the bill allocates \$700 million for Northeast Corridor grants and \$1.3 billion for the National Network, both of which are the same amounts as last year.

The legislative package also extends certain tax provisions by one year, including the Alternative Fuel Excise Tax Credit. Based on fuel usage, this tax incentive provides OCTA with more than \$4 million each year it is in effect. Given OCTA’s transition, pursuant to state law, to zero-emission bus technology, staff has been working with the Orange County legislative delegation and other transit stakeholders to explore potential changes to this credit that might further assist with financing the cost of zero-emission fuels.

With the extension of the FAST Act through September 30, 2021, Congress and the incoming Presidential Administration will begin work on surface transportation authorization legislation early next year. Staff will continue to keep the Board updated on how the incoming administration's transportation policy priorities might impact both the appropriations process and OCTA's operations.

#### Emergency Transportation Funding in Response to COVID-19

In addition to the funding in the omnibus appropriations bill, the stimulus package provides more than \$900 billion in COVID-19 relief, featuring another round of direct payments to individuals and families, an extension of unemployment benefits, and additional funding for small business programs. Notably for OCTA, the bill provides \$25 billion in highway, transit, and rail funding to facilitate continued delivery of essential mobility services as the pandemic persists.

Most of the \$14 billion in emergency Federal Transit Administration (FTA) formula funding, \$13.2 billion is allocated through the Urbanized Area Formula Grants program (Section 5307) and the FTA State of Good Repair Grants program (Section 5337), two of the largest, most reliable sources of federal transit funding for OCTA. The distribution of this round of emergency FTA funding varies from previously-enacted methods and includes a new mechanism that redistributes funding based on cumulative COVID-19 relief provided. Pursuant to the bill, each urbanized area will be limited to receiving 75 percent of their 2018 operating costs combined with the funds from this package and those received under the Coronavirus Aid, Relief and Economic Security (CARES) Act. Based on initial estimates, it appears that OCTA will be eligible for funding from this package, although that is not the case for other areas within California that have already exceeded the 75 percent threshold when considering the funding provided by the CARES Act.

Unfortunately, the complexity of implementing this limitation makes it difficult to currently estimate exactly how much funding OCTA will receive from this unprecedented funding formula. While there are several unknowns still, the bill language requires that FTA allocate funding within 30 days. OCTA continues to work through the normal channels, specifically with regional FTA officials and the Southern California Association of Governments (SCAG) to determine exactly how this funding will flow to Orange County.

The COVID-19 relief section also appropriates \$10 billion in supplemental highway funding. Almost all the emergency highway funding is allocated to states for STBG-eligible projects, one of the most flexible federal transportation sources that can also be used for certain transit purposes. The bill language provides states with the flexibility to use funds for preventative and routine maintenance, operations, personnel, debt service, and coverage for other revenue losses. The bill language does not, however, specify how much states



can or should make use of the different eligible uses, potentially complicating how this emergency highway funding will be distributed within the State of California. In addition, the bill language also grants states broad discretion to transfer some of these funds to public toll agencies operating, as of 2020, a tolled facility that provides a “public transportation benefit.” The bill language does not specifically define this phrase or provide further clarity on what such transfers might look like, creating even more uncertainty on how this particular provision will operate in practice.

Despite these potential challenges, the bill language does require that this emergency highway funding be apportioned within 30 days of enactment. The bill does maintain the statutory requirement that 55 percent of STBG funding be suballocated to urbanized areas with populations over 200,000. As a result, the SCAG region, and in turn OCTA, can expect that this emergency highway funding will be apportioned in a way that resembles the annual STBG distribution process. However, due to these anticipated technical complications discussed, OCTA staff will be closely monitoring the implementation of this emergency highway funding and working with its transportation partners to ensure that this funding benefits Orange County.

The bill also includes a few other provisions of interest to OCTA, including \$1 billion in emergency funding to support Amtrak’s ability to continue to operate passenger rail service during the COVID-19 pandemic. In addition, there are two labor provisions of note. First, the bill extends through March 31, 2021, the provision in the CARES Act that permits contractors to be reimbursed for administrative leave. Second, the bill allows the previously mandated paid leave requirement to expire, although the payroll tax credits for private businesses that voluntarily provide paid or sick leave extends until March 31, 2021. Staff will continue to work with its transportation partners to track any future proposals and advocate for funding and policies that benefit OCTA’s operations, providing updates to the Board as developments arise.

#### Nomination of Transportation Secretary

On December 16, 2020, the President-elect announced that Pete Buttigieg will be his nominee for Secretary of Transportation. Mr. Buttigieg served as the Mayor of South Bend, Indiana from 2012 until 2020 before running for President. Prior to holding elected office, Mr. Buttigieg served as a Naval intelligence officer and then worked as a management consultant. The nomination will officially be filed in the Senate after the President-elect is inaugurated, at which time the relevant committees of jurisdiction will have the prerogative to schedule confirmation hearings. As of the writing of this staff report, the President-elect had not formally announced nominees for any of the modal agencies. Staff will provide updates to the Board as information on the incoming administration becomes available.

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***Summary***

An update is provided on enacted federal transportation funding relevant to Orange County and the nomination for a new Secretary of Transportation.

***Attachments***

- A. Letter from Transit Stakeholders to Congressional Leaders, dated December 11, 2020
- B. Fiscal Year 2021 Funding Breakdown
- C. Potomac Partners DC, Monthly Legislative Report – November 2020
- D. Potomac Partners DC, Monthly Legislative Report – December 2020

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**Approved by:**



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December 11, 2020

The Honorable Joseph R. Biden  
President-Elect  
United States of America  
1401 Constitution Avenue, NW  
Washington, DC 20230

The Honorable Nancy Pelosi  
Speaker of the House  
United States House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
H-204, The Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230, The Capitol  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
S-221, The Capitol  
Washington, DC 20510

President-Elect Biden, Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

Our coalition of transit, labor, business, local governments, infrastructure, environmental and social justice leaders respectfully **urges you to provide at least \$32 billion in new funding to transit agencies nationwide, inclusive of no less than \$3.1 billion for California's transit agencies to address their operating budget shortfalls resulting from the COVID-19 pandemic.**

Transit agencies statewide have seen steep declines in ridership and revenues due to the pandemic-induced economic downturn, putting immense strain on operating budgets. As a result, they have been forced to dramatically reduce or suspend services and have begun, in some cases, to delay much needed infrastructure investments.

California's public transit agencies need **\$3.1 billion in funding relief *this year (through December 2021)*** to address their immediate operational needs and to prevent service reductions from becoming permanent. A viable public transit network is necessary to help support essential and frontline workers as well as communities disproportionately hurt by the pandemic, to protect strong and healthy communities, avoid the loss of thousands of good-paying local jobs, and to support a balanced economic recovery.

Surveys have found that the majority of Californians who continue to rely on transit during the pandemic are using the service to get to work, are overwhelmingly low-income and/people of color, and lack access to a personal vehicle. Reduced transit service disproportionately harms these communities, making it more difficult for them to provide for their families and threatening the health of local economies.

Transit agencies themselves have significant impacts on local economies. The California Transit Association estimates that more than 35,000 Californians are directly employed by transit agencies, but many agencies are considering or have already made cuts to personnel due to the severe budget shortfalls. Should these cuts continue, consumer spending would drop, leading to job losses in other sectors and further perpetuating the pandemic-induced economic downturn.

These agencies are also weighing other cuts, including delaying capital improvement projects and transit vehicle procurements, and deferring payments to contractors, as operating budget shortfalls place new pressure on capital budgets. These cuts will compromise the condition of transit assets, undermine the role of California's transit agencies in meeting our state's environmental goals, slow the deployment of zero-emission buses, and result in job losses in construction as well as domestic and California-based manufacturing. Without additional support for transit operations, the economic impacts from a transit agency's failure will be widespread.

Ensuring California's public transit agencies can continue to provide essential service and invest in capital projects is critical to a balanced economic recovery, our quality of life, and to achieving our state's ambitious environmental goals.

Please help us save local public transit.

Sincerely,

Michael Pimentel, Deputy Executive Director  
**California Transit Association**

Tim Elder, President  
**National Federation of the Blind California**

Michael Quigley, Executive Director  
**California Alliance for Jobs**

Shane Gusman, Director  
**California Teamsters Public Affairs Council**

Bill Higgins, Executive Director  
**California Association of Councils of Government (CALCOG)**

Shane Gusman, Legislative Advocate  
**California Conference Board of the Amalgamated Transit Union**

Nancy McPherson, State Director  
**AARP California**

Kiana Valentine, Executive Director  
**Transportation California**

Rick L. Callender, President  
**California – Hawaii State Conference NAACP**

Louie Costa, Director  
**California State Legislative Board  
SMART-Transportation Division**

Denny Zane, Executive Director  
**MoveLA**

Eileen Wenger Tutt, Executive Director  
**California Electric Transportation Coalition**

Julian Canete, President & CEO  
**California Hispanic Chambers of Commerce**

Colin Fiske, Executive Director  
**Coalition for Responsible Transportation Priorities**

Jason Baker, Vice President, Transportation, Housing & Community Development  
**Silicon Valley Leadership Group**

Ruben Guerra, President and Chair  
**Latin Business Association**

Gwen Litvak, Senior Vice President  
**Bay Area Council**

Jonathon Kass, Interim Transportation Policy Director  
**SPUR**

Jessica Lall, President & CEO  
**Central City Association – Los Angeles**

John Hake, Executive Director  
**Rebuild SoCal Partnership**

Dr. Tecoy Porter, President  
**National Action Network Sacramento**

Mike Woodman, Chair  
**North State Super Region**

Barbara Leslie, Chamber President/CEO  
**Oakland Chamber of Commerce**

Jack Swearingen, Chair  
**Friends of SMART**

Bee Mittermiller, Public Policy Team Co-Chair  
**350 San Diego**

Darnell Grisby, Executive Director  
**TransForm**

Glenda Marsh, Steering Committee  
**Sacramento Metro Advocates for Rail and Transportation**

Jacklyn Montgomery, Executive Director  
**California Association for Coordinated Transportation (CalACT)**

Richard Marcantonio, Managing Attorney  
**Public Advocates, inc.**

Jay King, President  
**California Black Chamber of Commerce**

Adrian Martinez, Staff Attorney, Right to Zero  
**Earthjustice**

Alberto Ayala, PhD, MSE, Executive Director and Air Pollution Control Officer  
**Sacramento Metropolitan Air Quality Management District**

Maria S. Salinas, President & CEO  
**Los Angeles Area Chamber of Commerce**

Michael Lawson, President & CEO  
**Los Angeles Urban League**

Colin Parent, Executive Director & General Counsel  
**Circulate San Diego**

Stuart Waldman, President  
**Valley Industry & Commerce Association**

Brandon Black, Director of Public Policy  
**Sacramento Metro Chamber of Commerce**

Laura Raymond, Director  
**Alliance for Community Transit Los Angeles**

Barry Broome, President & CEO  
**Greater Sacramento Economic Council**

Brian Ling, Executive Director  
**Sonoma County Alliance**

Pat Fong Kushida, President & CEO  
**Sacramento Asian Pacific Chamber of Commerce**

Bill Manis, President & CEO  
**San Gabriel Valley Economic Partnership**

Dave Campbell, Advocacy Director  
**Bike East Bay**

**CC: Members and Staff, United States Congress**  
**The Honorable Gavin Newsom**, Governor, State of California  
**David Kim**, Secretary, California State Transportation Agency  
**Phil Washington**, Lead, Department of Transportation - Agency Review Team; CEO, Los Angeles County Metropolitan Transportation Authority  
**Therese McMillan**, Member, Department of Transportation - Agency Review Team; Executive Director, Metropolitan Transportation Commission  
**Toks Omishakin**, Member, Department of Transportation – Agency Review Team; Director, California Department of Transportation

**Fiscal Year 2021 Funding Breakdown\***

<b>Agency</b>	<b>Program</b>	<b>Funding Level</b>	<b>Authorized Level</b>
FHWA	Supplemental Highway Formula Funds from General Fund	\$2,000,000,000	\$0
FHWA	Congestion Mitigation and Air Quality (CMAQ) Improvement Program	\$2,499,000,000	\$2,499,000,000
FHWA	Infrastructure for Rebuilding America (INFRA) Grants	\$1,000,000,000	\$1,000,000,000
FHWA	Surface Transportation Block Grant Program	\$12,137,000,000	\$12,137,000,000
FRA	Amtrak Grants	\$2,000,000,000	\$1,800,000,000
FRA	Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program	\$375,000,000	\$330,000,000
FRA	Federal-State Partnership for State of Good Repair Program	\$200,000,000	\$300,000,000
FRA	Restoration and Enhancement Grants	\$4,720,000	\$20,000,000
FTA	Urbanized Area Formula Program Grants [§5307]	\$4,929,452,499	\$4,929,452,499
FTA	Capital Investment Grants Program [§5309]	\$2,014,000,000	\$2,301,785,760
FTA	Enhanced Mobility of Seniors and Individuals with Disabilities [§5310]	\$285,574,688	\$285,574,688
FTA	State of Good Repair Grants [§5337]	\$2,723,798,369	\$2,683,798,369
FTA	Bus and Bus Facilities Formula [§5339(a)]	\$582,609,736	\$464,609,736
FTA	Bus and Bus Facilities Discretionary [§5339(b)]	\$469,044,179	\$344,044,179
FTA	Low or No Emission Vehicle Program [§5339(c)]	\$180,000,000	\$55,000,000
FTA	High Density States Program [§5340(d)]	\$309,364,074	\$269,364,074
OST	Better Utilizing Investments to Leverage Development (BUILD) Program	\$1,000,000,000	\$0

*\*does not include emergency funding as part of the COVID-19 response in Division M of the stimulus deal*

**Agency Acronyms**

FHWA – Federal Highway Administration

FRA – Federal Railroad Administration

FTA – Federal Transit Administration

OST – Office of the Secretary of Transportation



## Monthly Legislative Report – November 2020

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### November Advocacy Meeting Summary

**House Speaker Nancy Pelosi (D-CA)** – We have spoken on the phone with Speaker Pelosi's staff this month to discuss FY21 Appropriations legislation and the possibility that COVID-19 stimulus legislation will be attached to an "omnibus" bill. We also discussed the possibility for a limited return to congressionally directed spending or "earmarks" next Congress.

**Senate Majority Leader Mitch McConnell** – We have been communicating with Senator McConnell's leadership staff this month to discuss the need for additional local government funding, as well as the need for additional transit and formula funding in a COVID-19 relief package framework.

**Congresswoman Katie Porter (D-CA)** – We have been in communication with staff in Congresswoman Porter's office to discuss our funding requests for the next Congress and the possibility of a return to earmarks. We also discussed the Alternative Fuel Excise Tax Credit and provided additional briefing materials to the Congresswoman's new staff assistant for transportation.

**Congressman Harley Rouda (D-CA)** – We have been in contact with Congressman Rouda's office to discuss priorities for the lame duck session. We discussed FY21 appropriations, and the need for additional funding for transit operations during the COVID-19 crisis and additional flexibilities for existing formula accounts.

**Congressman Alan Lowenthal (D-CA)** – We have been in contact this month with Congressman Lowenthal's office to discuss next steps on Surface Transportation Reauthorization. We discussed the possible priorities for T&I committee in the next congress, and the timeline for a reauthorization in the new year. We also discussed transportation funding in the FY21 THUD appropriations bill, and any opportunities to address the need for additional spending flexibilities for formula funds to help address revenue reductions, and COVID-19 response activities. We also discussed the possibility of a return to earmarks and the likely procedures for submitting requests if they do return.

**Congressman Lou Correa (D-CA)** – We have been in close communication with Congressman Correa and his staff regarding FY21 appropriations negotiations, and opportunities for new flexibilities that would allow more flexible usage of formula transit funds. We also discussed progress on negotiations for a new stimulus and the procedures for submitting requests if the earmark ban is lifted. We also discussed committee leadership changes and opportunities to brief new Chairs on OCTA's priorities.

**Congressman Mike Levin (D-CA)** – We have been in regular contact with Congressman Levin's senior staff to discuss the Alternative Fuel Tax Credit issue and opportunities for including language in the FY21 appropriations or tax extenders packages before the end of the year. We reiterated support for additional transit formula funds in the upcoming stimulus bill and discussed the likelihood of a deal before the end of the year.

**Congressman Gil Cisneros (D-CA)** – We followed-up with senior staff in Congressman Cisneros' office to discuss the lame duck session and the need for new funding to support transit operations.

**Congressman Mike Garcia (R-CA)** – We have been in communication with Congressman Garcia's staff this month to discuss the Highway Bill and support for long-term robust funding. We also discussed the possibility of a return to earmarks and the preferred procedures for submitting requests should the ban be lifted.

**Congressman Pete Aguilar (D-CA)** – We have been in close contact with Congressman Aguilar's office to discuss FY21 appropriations and opportunities to provide input. We reiterated the need to include additional infrastructure funding for "shovel-ready" projects that could provide additional economic stimulus. We also discussed committee leadership changes and the ongoing race to replace outgoing House Appropriations Committee Chair Nita Lowey (D-NY). On this topic, we discussed the likelihood of a return to earmarks, even in a limited fashion, and the most effective methods for submitting funding requests. Finally, we discussed opportunities to support funding and policy flexibilities to support service during the pandemic.

**House Appropriations: Transportation, Housing and Urban Development** – We have been in communication with senior staff on the House THUD Appropriations Committee to discuss new possible CIG funding in a COVID-19 stimulus legislation and how that may differ from the funding included in the amended HEROES Act. We also discussed the timeline for FY21 appropriations, and the need for additional transit formula funding and ongoing transportation projects that may see additional revenue impacts in 2021. We also discussed a possible return to earmarks and how committee leadership changes are expected to affect the annual appropriations process.

**Senator Dianne Feinstein (D-CA)** – We have been communicating with Senator Feinstein's staff this month to discuss negotiations on FY21 appropriations and reiterate the need for additional transit funding and formula spending flexibilities. We also discussed the possibility of a return to earmarks in the Senate.

**Senator John Thune (R-SD)** – We have been in contact with Senator Thune's staff to discuss the COVID-19 relief framework released late in the month, and support for additional funding and flexibilities for transit providers. We discussed the impact of COVID-19 on transit operations and construction.

**House Transportation and Infrastructure Committee** – We continue to be in regular communication with both Majority and Minority staff. We have also been discussing



progress on the Highway Bill and the likelihood of a more bipartisan process in 2021 that could include some of the provision in the Republican alternative bill, the *STARTER Act* (H.R. 7248). We also discussed how a return to earmarks may affect the drafting and negotiations process.

**Senate Environment and Public Works Committee** – We followed-up with EPW staff (minority and majority) on OCTA's Surface Transportation Reauthorization policy asks. We discussed the possibility of bi-cameral agreement on key Highway Bill provisions.

**Senate Banking Committee** – We followed-up again with senior staff this month to discuss progress on a Senate Surface Transportation reauthorization transit title and the likelihood of progress on negotiations with the House in 2021.

### **Senator Barrasso Seeks New Position, Leaving Highway Chairmanship**

On November 18<sup>th</sup>, Senator John Barrasso (R-WY) announced that if Republicans retain control of the Senate in the 117<sup>th</sup> Congress, he will take over the Chairman position on the Senate Energy and Natural Resources (ENR) Committee. Following seniority rules, the Senate Environment and Public Works (EPW) Committee will be Chaired by Senator Shelly Moore Capito (R-WV). The EPW Committee has jurisdiction over highway policy and is responsible for that portion of the Surface Transportation Reauthorization. Senator Moore Capito is currently Chair of the Transportation and Infrastructure Subcommittee on EPW. Additionally, she was a member of the 2012 conference committee on the MAP-21 bill.

### **Fiscal Year 2021 Appropriations Update**

On Tuesday, November 24<sup>th</sup>, House and Senate Appropriators reportedly reached a bipartisan agreement on an outline for a FY21 discretionary spending omnibus. Congress will need to pass all twelve spending bills by December 11<sup>th</sup> to avoid a partial government shutdown, or another Continuing Resolution to extend funding authority at FY20 levels. The House and Senate versions of the topline spending allocations were not far apart. The House included more funding for the Departments of Veterans Affairs, Interior, EPA, Transportation, and Housing Urban Development. The Senate favored more funding for Defense, Homeland Security, Energy, and the US Army Corps of Engineers. One major difference was the inclusion of \$233 billion in emergency spending to address the COVID-19 pandemic in the House bills. Senate Republicans have been opposed to including COVID-19 relief funding in the regular appropriations bills, favoring a stimulus package approach. Despite reports that a deal has been reached, the agreed-upon numbers have not been made public and are expected to be released once the text of the bills have been finalized.

President Trump has signaled support for signing an omnibus, but Congress will need to work quickly with only a few legislative days remaining before the current Continuing Resolution expires on December 11<sup>th</sup>. Included below are links to the subcommittee

allocations, as well as the legislative text, explanatory statement, and highlights for each of the FY21 appropriations bills.

**SENATE FY21 APPROPRIATIONS BILLS:**

[302\(b\) Subcommittee Allocations](#) (Topline spending for each bill)

**Agriculture:** [Text](#) | [Summary](#) | [Report](#)

**Commerce-Justice-Science:** [Text](#) | [Summary](#) | [Report](#)

**Defense:** [Text](#) | [Summary](#) | [Report](#)

**Energy-Water:** [Text](#) | [Summary](#) | [Report](#)

**Financial Services:** [Text](#) | [Summary](#) | [Report](#)

**Homeland Security:** [Text](#) | [Summary](#) | [Report](#)

**Interior-Environment:** [Text](#) | [Summary](#) | [Report](#)

**Labor-HHS-Education:** [Text](#) | [Summary](#) | [Report](#)

**Legislative Branch:** [Text](#) | [Summary](#) | [Report](#)

**Military Construction-VA:** [Text](#) | [Summary](#) | [Report](#)

**State-Foreign Operations:** [Text](#) | [Summary](#) | [Report](#)

**Transportation-HUD:** [Text](#) | [Summary](#) | [Report](#)

**HOUSE FY21 APPROPRIATIONS BILLS:**

[302\(b\) Subcommittee Allocations](#) (Topline spending for each bill)

**Agriculture:** [Text](#) | [Summary](#) | [Report](#)

**Commerce-Justice-Science:** [Text](#) | [Summary](#) | [Report](#)

**Defense:** [Text](#) | [Summary](#) | [Report](#)

**Energy-Water:** [Text](#) | [Summary](#) | [Report](#)

**Financial Services:** [Text](#) | [Summary](#) | [Report](#)

**Homeland Security:** [Text](#) | [Summary](#) | [Report](#)

**Interior-Environment:** [Text](#) | [Summary](#) | [Report](#)

**Labor-HHS-Education:** [Text](#) | [Summary](#) | [Report](#)

**Legislative Branch:** [Text](#) | [Summary](#) | [Report](#)

**Military Construction-VA:** [Text](#) | [Summary](#) | [Report](#)

**State-Foreign Operations:** [Text](#) | [Summary](#) | [Report](#)

**Transportation-HUD:** [Text](#) | [Summary](#) | [Report](#)

## **COVID-19 Stimulus Negotiations**

With the clock running out, Congress continues to work on a COVID-19 stimulus package. Other priority items like FY21 appropriations, the National Defense Authorization Act (NDAA), the Water Resources Development Act (WRDA), and a series of tax extenders are also expected to take up much of the limited floor time remaining in the year. After a meeting with Senate Majority Leader Mitch McConnell (R-KY) just before Thanksgiving, Speaker Pelosi (D-CA) told reporters that the discussion focused solely on reaching a consensus on an FY21 omnibus package. Meanwhile, Treasury Secretary Mnuchin has been trying to restart negotiations with Speaker Pelosi, but House Democrats have not wavered in their initial offer of \$2.4 trillion. The White House has indicated a willingness to support a stimulus totaling up to \$1.8-2 trillion, but this amount may not be tenable in the Senate, where Republicans fear that oversized bailouts will not only contribute too much to the debt but could also spawn a political movement similar to the Tea Party in 2009. Despite political complications in the negotiations, the biggest barrier to a COVID-19 stimulus is the limited floor time remaining in both chambers. Congressional staff are being told to expect the end of the session to begin on December 11<sup>th</sup>, leaving only eight legislative days on the calendar for the 116<sup>th</sup> Congress.

A bipartisan group of 9 Senators including Democratic Senators Chris Coons (DE), Joe Manchin (WV), Mark Warner (VA), Michael Bennet (CO) and Dick Durbin (IL), and Republican Senators Mitt Romney (UT), Susan Collins (ME), Lisa Murkowski (AK) and Rob Portman (OH) released a “framework” COVID-19 stimulus that outlines a spending breakdown on November 30<sup>th</sup>. This framework has not been approved or endorsed by leadership in either chamber, but both Majority Leader McConnell (R-KY) and Minority Leader Schumer (D-NY) voiced support for a new stimulus. The framework is included below:



### **COVID Emergency Relief Framework**

Major Issues	Cost Estimate
State, Local, and Tribal Governments	\$160 billion
Additional Unemployment Insurance (UI)	\$180 billion
Support for small businesses including Paycheck Protection Program (PPP), EIDL, restaurants, stages, and deductibility	\$288 billion
CDFI/MDI Community Lender Support	\$12 billion
Transportation (Airlines, Airports, Buses, Transit and Amtrak)	\$45 billion
Vaccine Development and Distribution & Testing and Tracing	\$16 billion
Healthcare Provider Relief Fund	\$35 billion
Education	\$82 billion
Student Loans	\$4 billion
Housing Assistance (Rental)	\$25 billion
Nutrition/Agriculture	\$26 billion
U.S. Postal Service	\$10 billion
Child Care	\$10 billion
Broadband	\$10 billion
Opioid Treatment	\$5 billion
Provide short term Federal protection from Coronavirus related lawsuits with the purpose of giving states time to develop their own response.	
<b>TOTAL</b>	<b>\$908 billion</b>

## **House Transportation & Infrastructure Committee Hearing on Passenger Rail**

On November 18<sup>th</sup>, the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing entitled “*Examining the Surface Transportation Board’s Role in Ensuring a Robust Passenger Rail System*”. During his opening statements, Chairman Lipinski (D-IL) said 1) there needs to be an increase in investments in public rail infrastructure, 2) the domestic rail supply industry needs to be expanded to meet demand, and 3) Congress needs to establish more balanced and efficient processes to utilize existing trackage, much of which is owned by freight railroads. He also discussed support for public investments while encouraging private investments. He also discussed the success of BNSF in increasing efficiency by helping expand passenger rail capacity.

Ranking Member Crawford, conversely, discussed the vital services provided by freight rail. Full Committee Chairman DeFazio (D-OR) highlighted the impacts and burdens resulting from the COVID-19 pandemic and expressed his support for assistance to passenger rail entities. Amtrak Vice Chairman Gardner suffered technical difficulties during questions with Chairman DeFazio and Ranking Member Crawford, and the committee requested his written testimony as a result. The remainder of the hearing focused mostly on funding for Amtrak with support and opposition falling mostly along party lines.

Ann Bergman discussed the STB’s role as a mediator between public rail and commuter entities, and freight rail providers. She discussed a number of cases where the STB mediated conflicts between Amtrak and freight rail entities, including the modification of previously approved rail lines.

### **Witness List**

- **Surface Transportation Board** - Ann D. Begeman, Chairman
  - [Testimony](#)
- **Surface Transportation Board** - Martin J. Oberman, Vice Chairman
  - [Testimony](#)
- **Metra** - Romyne C. Brown, Chair of the Board of Directors
  - [Testimony](#)
- **Amtrak** - Stephen Gardner, Senior Executive Vice President
  - [Testimony](#)
- **Association of American Railroads** - Ian Jefferies, President and CEO
  - [Testimony](#)
- **Cato Institute** - Randal O’Toole, Senior Fellow
  - [Testimony](#)
- **American Public Transportation Association** - Paul Skoutelas, President and CEO
  - [Testimony](#)

## **Possible Return for Congressionally Directed Spending in the 117<sup>th</sup> Congress**

On November 20<sup>th</sup>, House Majority Leader Steny Hoyer (D-MD) told reporters that earmarks are slated to make a return in the new session of Congress. Once the new House Appropriations Chairwoman is elected, she will begin soliciting House lawmakers to “ask for Congressional initiatives for their districts and their states”. Connecticut’s Rosa DeLauro has received the steering committee endorsement for the Chairmanship and will likely take the gavel. Delauro has voiced strong support for the return of earmarks.

Senate Republicans made their earmark ban permanent last year, but Senate Appropriations Committee Chairman Richard Shelby (R-AL) has indicated openness to earmarks with proper transparency measures in place if it will help Congress “return to regular order” when working on the annual appropriations bills.

## **2020 Election Wrap-up**

As of this report, the Presidential Election has been called for Joe Biden by all major news outlets. The results have been undergoing official certification by the states according to individual deadlines. For example, Georgia certified their votes by 5:00pm on Friday, November 20<sup>th</sup>, followed by Pennsylvania and Michigan on Monday, November 23<sup>rd</sup>. Minnesota, Nevada, and North Carolina certified their votes on Tuesday, November 24<sup>th</sup>, followed by Ohio on the 28<sup>th</sup>, and Arizona, Iowa, and Nebraska on the 30<sup>th</sup>.

Another key date in the process is December 8<sup>th</sup>. If by December 8<sup>th</sup>, states have resolved all disputes and certified all results, the vote count will no longer be open to legal challenges. The governor of each state will compile the results and submit them to Congress along with the names of the state’s electors. The Electoral College will then meet on December 14<sup>th</sup> and cast their votes. On January 6<sup>th</sup>, the 117<sup>th</sup> Congress will meet to count and certify the votes cast by the Electoral College, followed by inauguration on January 20<sup>th</sup>.

To summarize key dates:

<b>November 20<sup>th</sup></b>	.....	Georgia Vote Certification Deadline
<b>November 23<sup>rd</sup></b>	.....	Pennsylvania and Michigan Vote Certification Deadline
<b>November 24<sup>th</sup></b>	.....	Minnesota, Nevada, and North Carolina Vote Certification Deadline
<b>November 30<sup>th</sup></b>	.....	Arizona, Iowa, and Nebraska Vote Certification Deadline
<b>December 8<sup>th</sup></b>	.....	Federal Vote Certification Deadline
<b>December 14<sup>th</sup></b>	.....	Electoral College Vote
<b>January 6<sup>th</sup></b>	.....	117 <sup>th</sup> Congress Counts and Certifies Electoral College Votes
<b>January 20<sup>th</sup></b>	.....	President Sworn into Office (Inauguration)

	<b>117<sup>th</sup> Congress – House (2021-2022)</b>	
<b>Democrats</b> ✓		<b>Republicans</b>

**222** -10

Toss-up  
1

+11 **212**



### 116<sup>th</sup> Congress – House (2018-2020)

**Democrats**

**232**

**Republicans**

**197**



Democrats will maintain control of the House, surpassing the 218 Member threshold to have a majority. However, Republicans have gained 11 seats in an election year where Democrats were expected to greatly expand their Majority. Democrats did pick up three seats, but two of these seats were essentially uncontested after North Carolina drew new district borders that made them significantly more Democratic. The only remaining House race that has yet to be called is in New York CD-22, between Claudia Tenny (R) and Anthony Brindisi.

Additionally, Louisiana Representative Cedric Richmond (D) has announced plans to resign from Congress to serve as a senior advisor to President Joe Biden and as Director of the White House Office of Public Engagement. It is unlikely that his seat will flip for a Republican in a special election, but Richmond has been a key ally to Democratic Leadership and additional departures for the Administration may shrink the Democratic Majority even more in the coming months.

Congressman Aguilar (D-CA) was also elected to be the Vice Chairman of the Democratic Caucus, the 6<sup>th</sup> ranking position in the House Democratic Caucus after a tight race. Reps. Ted Lieu (D-CA) and Joe Neguse (D-CO) were also elected to serve as Democratic Policy and Communications Committee Co-Chairs along with Reps. Debbie Dingle (D-MI) and Matt Cartwright (D-PA). Speaker Pelosi (D-CA), Majority Leader Hoyer (D-MD), Whip Clyburn (D-SC), and Caucus Chairman Jeffries (D-NY) were all nominated without opposition.

### 117<sup>th</sup> Congress – Senate (2021-2022)

**Republicans**

**50** -1

Toss-up  
2

**Democrats**

+1 **48**



### 116<sup>th</sup> Congress – Senate (2018-2020)

**Republicans**

**Democrats**

\*Includes 2 Independents who caucus with Democrats

Republicans are favored to maintain their majority control of the Senate in the 117<sup>th</sup> Congress according to current projections of the two Georgia Senate runoff races. Control of the chamber will come down to the upcoming runoff races in Georgia. The two Senate races in Georgia (Purdue [R] v. Ossoff [D]) and (Warnock [D] v. Loeffler [R] v. Collins [R]) failed to cross the 50% threshold. Therefore, a state-wide runoff will be held on January 5, 2021.

In Georgia, any Congressional candidate must win over 50% of the vote. If the 50% threshold is not crossed by any candidate, the two candidates must enter a runoff election in which voters can only vote for one of the two as opposed to a general election that does not limit the number of candidates. The latest projections suggest Republican voters in the state split between Senator Loeffler and Congressman Doug Collins (R-GA) will likely unite behind Loeffler in the runoff. If Democrats are able to win both seats, the Senate will be split into a 50-50 Republican-Democrat no-majority, giving Vice President Harris the tie-breaking vote.

### **Biden Cabinet and Transition Update**

On Monday, November 23<sup>rd</sup>, President-elect Joe Biden announced his intent to nominate **Alejandro Mayorkas** as Secretary of the Department of Homeland Security (DHS). Mayorkas was born in Havana and has been serving as an Assistant US Attorney in the Central District of California specializing in white collar crime. He has been confirmed by the Senate three times for prior roles, including Director of the US Citizen and Immigration Services office. He also worked on the Obama Administration's team in response to the Ebola outbreak. The Biden campaign has said that combatting COVID-19 will be a top priority for DHS and the Administration.

**Antony Blinken** is expected to be nominated to serve as Secretary of State. He previously served as the Deputy Secretary of State from 2015 to 2017 and as Deputy National Security Advisor from 2013 to 2015.

Former Chair of the Federal Reserve **Janet Yellen** has been tapped to be nominated as Secretary of the Treasury. She formerly served as Chair of the White House Council of Economic Advisors under President Clinton.

*Positions that do not need a Senate Confirmation include the following:*

**Ron Klain** will be Chief of Staff to the President. Klain has served as Chief of Staff to both Vice President Al Gore and Vice President Joe Biden.



**Neera Tanden** will be the Director of the Office of Management and Budget (OMB). Tanden has previously served as senior advisor to Secretary Kathleen Sebelius at HHS, helping to draft the Affordable Care Act. She has also been a longtime senior Vice President of the Centers for American Progress think tank.

**Avril Haines** will be the National Intelligence Director. Haines previously served as Deputy National Security Advisor for the Obama Administration and as Deputy Director of the CIA.

**Jake Sullivan** will be National Security Advisor. Sullivan previously served as Deputy Chief of Staff at the Department of State, and as Deputy Assistant to the President and National Security Advisor to Vice President Biden.

**Linda Thomas-Greenfield** will be Ambassador to the United Nations. She previously served as Assistant Secretary of State for African Affairs.

Former Secretary of State **John Kerry** will be joining the Biden Administration as an advisor on climate change. Kerry said that as the “President’s Climate Envoy”, the federal government will treat climate change as an urgent national security threat.

The Biden team is also expected to announce **Brian Deese** to be President Biden’s top economic advisor in the White House. Deese previously served in the Obama Administration as Deputy Director (and later Acting Director) of OMB, and Deputy Director of the National Economic Council.

**Kate Bedingfield** will be White House Communications Director.

**Jen Psaki** will be Press Secretary.

“These officials will start working immediately to rebuild our institutions, renew and reimagine American leadership to keep Americans safe at home and abroad, and address the defining challenges of our time — from infectious disease, to terrorism, nuclear proliferation, cyber threats, and climate change,” the Biden team said in a statement. A Secretary of Transportation has not yet been announced along with other key USDOT positions.



House Minority Leader Kevin McCarthy (R-CA) released the official calendar for the House in 2021. It is linked [HERE](#) and included below:

# HOUSE CALENDAR

REPUBLICAN LEADER KEVIN MCCARTHY 117<sup>TH</sup> CONGRESS, FIRST SESSION

## JANUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## FEBRUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

## MARCH

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## APRIL

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				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## MAY

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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## JUNE

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		1	2	3	4	5
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

## JULY

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18	19	20	21	22	23	24
25	26	27	28	29	30	31

## AUGUST

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## SEPTEMBER

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## OCTOBER

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## NOVEMBER

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## DECEMBER

S	M	T	W	T	F	S
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

GOPLeader
 RepKevinMcCarthy

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## Monthly Legislative Report – December 2020

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### December Advocacy Meeting Summary

**House Minority Leader Kevin McCarthy (R-CA)** – We spoke with Congressman McCarthy's leadership staff this month regarding the negotiations surrounding the FY21 spending package and COVID-Relief/stimulus framework. We discussed the need for additional transportation funding in the COVID-19 relief package.

**House Speaker Nancy Pelosi (D-CA)** – We spoke with Speaker Pelosi's personal office staff regarding the FY21 omnibus appropriations negotiations, and we reiterated support for emergency funding for transit operations and transportation projects.

**Congressman Pete Aguilar (D-CA)** – We have been in close contact with Congressman Aguilar's office to discuss FY21 omnibus appropriations legislation and COVID-19 relief funding. We discussed the need for transit operations funding, and support for new flexibilities in the use of existing formula accounts. We also discussed possible changes to the House rules in 2021. On this topic, we further discussed the likelihood of earmarks and the process for submitting funding requests depending on committee rules.

**Congresswoman Grace Napolitano (D-CA)** – We spoke with the Congresswoman's Chief of Staff to discuss possible T&I subcommittee assignment changes. We also discussed transportation funding in the FY21 omnibus appropriations bill.

**Congressman Alan Lowenthal (D-CA)** – We communicated with Congressman Lowenthal's office to discuss next steps on Surface Transportation Reauthorization with the new Biden Administration. We also discussed transportation funding in the FY21 omnibus appropriations bill and support for additional spending flexibilities for formula funds to help address revenue reductions, and COVID-19 response activities.

**Congresswoman Katie Porter (D-CA)** – We followed up with staff in Congresswoman Porter's office regarding OCTA funding requests for the 117<sup>th</sup> Congress and the process for a possible return to earmarks. We also discussed the *Alternative Fuel Excise Tax Credit* (AFETC) and OCTA provided additional follow up information via email.

**Congressman Mike Levin (D-CA)** – We have been in regular contact with Congressman Levin's staff to discuss the Alternative Fuel Excise Tax Credit, which was extended in the FY 21 omnibus package. We also discussed some of the negative provisions in H.R. 2 that would have phased out tax credit. We also reiterated support for additional transit formula funds.

**Congressman Lou Correa (D-CA)** – We had several calls with Congressman Correa’s legislative staff regarding the FY21 omnibus appropriations negotiations. We discussed support for new flexibilities that would allow more effective usage of formula transit funds, as well as support for additional transit operations funding.

**House Appropriations: Transportation, Housing and Urban Development** – We have been regular contact with senior staff on the House THUD Appropriations Committee throughout the month to discuss the timeline for FY21 omnibus appropriations, and the need for additional transit formula funding and ongoing transportation projects that may see additional revenue impacts in 2021. We also discussed a possible return to earmarks for the FY22 appropriations process.

**House Transportation and Infrastructure Committee** – We were in phone and email communication throughout the month with both majority and minority committee staff. We discussed possible new priorities for the Highway Bill, and how specific projects might be addressed in a 2021 Highway Bill. We also discussed reports that President-Elect Biden would like to restart negotiations on an infrastructure package, and possible new priorities for the incoming administration as it relates to environmental issues to include new funding programs to deploy zero-emission busses.

**Senate Banking Committee** – We followed-up again with senior staff this month to discuss progress on a Senate Surface Transportation reauthorization transit title and possible changes to some of the transit formula programs in the next Highway Bill.

### **Fiscal Year 2021 Appropriations Update**

On Monday, December 21<sup>st</sup>, the House and Senate met to pass [H.R. 133](#) – Consolidated Appropriations Act. On December 27<sup>th</sup>, President Trump signed the omnibus/relief package into law. While signing the Omnibus package, President Trump issued a statement (found [HERE](#)) denouncing the package, announcing his intent to submit a rescission request to Congress. House Appropriations Committee Chairwoman Nita Lowey (D-NY) responded in a statement, saying “The House Appropriations Committee has jurisdiction over rescissions, and our Democratic Majority will reject any rescissions submitted by President Trump. By turning the page on this request, we will allow the Biden-Harris Administration to begin to Build Back Better.”

**Omnibus** division-by-division summary, appropriations provisions [HERE](#).

- Full Legislative Text [HERE](#)
- Explanatory Statements (Table of Contents [HERE](#))
  - [Division A](#) - Agriculture
  - [Division B](#) - Commerce-Justice-Science
  - [Division C](#) - Defense
  - [Division D](#) - Energy and Water Development
  - [Division E](#) - Financial Services

- [Division F](#) - Homeland Security
- [Division G](#) - Interior and Environment
- [Division H](#) - Labor-Health and Human Services
- [Division I](#) - Legislative Branch
- [Division J](#) - Military Construction-Veterans Affairs
- [Division K](#) - State-Foreign Operations
- [Division L](#) - Transportation-Housing and Urban Development

**COVID-19 Relief** division-by-division summary [HERE](#)

- \$14 billion for Transit Emergency Relief for operating assistance.
- \$10 billion to support State Departments of Transportation. Funds may be used to replace amounts lost as a result of coronavirus for preventative maintenance, routine maintenance, operations, and personnel costs, and may support tolling agencies and ferry systems.
- \$4.5 billion for State, local, Territorial, and Tribal Public Health Departments through the CDC.
- \$2 billion for assistance through states to families with funeral expenses related to COVID-19 without a state match.

**Extensions**

- Extends the date by which state and local governments may make expenditures with CARES Act Coronavirus Relief Fund awards from December 30, 2020 to December 31, 2021.
- Extends through March 14, 2021 the CARES Act provision which reimbursed states for the cost of waiving the “waiting week” for regular unemployment compensation. Sets the reimbursement percentage for weeks ending after December 26, 2020 at 50 percent.
- Extends through March 14, 2021 the CARES Act provision which gave state unemployment offices temporary, emergency authority to use “non-merit” staff.
- Extends Pandemic Emergency Unemployment Compensation (PEUC) to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021, as long as the individual has not reached the maximum number of weeks.
- Increases the number of weeks of benefits an individual may claim through the PEUC program from 13 to 24.
- Extends through March 14, 2021 the CARES Act provision which provided temporary 100 percent federal financing for Short-Time Compensation (“worksharing”) programs which are established in state law.

- Extends through March 14, 2021 the CARES Act provision which provided a 50 percent subsidy to non-statutory, temporary state Short-Time Compensation programs.
- Extends through March 14, 2021 the provision in the Families First Coronavirus Response Act which provided temporary full federal financing of Extended Benefits (EB) for high-unemployment states. States are normally required to pay 50 percent of the cost of EB, which is a program in permanent law.
- Provides rules for states about sequencing these benefits with other unemployment benefits.
- Ensures individuals who are otherwise eligible for Pandemic Unemployment Assistance do not have their benefits terminated because of inadvertent or state system failure errors in past required weekly benefit recertifications, so long as the state made good faith efforts to implement the program.
- Provides a temporary waiver of the mandatory “EB freeze period” for states that trigger back onto the program because of fluctuations in their unemployment rates, beginning November 1, 2020 and ending December 31, 2021.
- On August 8, 2020, the President of the United States issued a memorandum to allow employers to defer withholding employees’ share of social security taxes or the railroad retirement tax equivalent from September 1, 2020 through December 31, 2020 and required employers to increase withholding and pay the deferred amounts ratably from wages and compensation paid between January 1, 2021 and April 31, 2021. Beginning on May 1, 2021, penalties and interest on deferred unpaid tax liability will begin to accrue. The provision extends the repayment period through December 31, 2021. Penalties and interest on deferred unpaid tax liability will not begin to accrue until January 1, 2022.
- Extends the period of eligibility for FY19 TIGER/Build Grants.
- Child Care Access Means Parents in Schools (CCAMPIS) extension until December 31, 2021

**Authorizing Matters** division-by-division summary [HERE](#)

The Omnibus package also included the House-passed Water Resources Development Act (WRDA), authoring US Army Corps of Engineers projects. The bill was included in [H.R. 133, in Division AA](#). To access the provision directly and a section-by-section summary, click [here](#) and [here](#).

### **117<sup>th</sup> Congress**

The House and Senate convened the 117<sup>th</sup> Congress - First Session on January 3<sup>rd</sup> at noon. All legislation that has not been signed into law during the previous session expires at the commencement of a new Congress, with the exception of treaties.

The **House** follows a well-established first-day routine. The proceedings included:

- A call to order by the Clerk of the House
- A prayer led by the Chaplain and the Pledge of Allegiance led by the Clerk
- A quorum call ordered by the Clerk
- The election of the Speaker, ordered by the Clerk and conducted with the assistance of tellers
- Remarks by the Speaker-elect, followed by his or her swearing-in by the dean of the House
- The oath of office for the newly elected and re-elected Members, administered by the Speaker
- Adoption of the rules of the House for the new Congress
- Adoption of various administrative resolutions and unanimous consent agreements
- Announcement of the Speaker's policies on certain floor practices

On Monday, January 4<sup>th</sup>, the House met to adopt the Rules of the 117<sup>th</sup> Congress ([H.Res. 5](#)). This package codifies the Office of Diversity and Inclusion and makes other important improvements to promote diversity like requiring committees to include in their oversight plans a discussion on how their work will address inequities and supporting efforts to increase diversity among witnesses who testify before House committees.

The House rules maintain the Select Committee on the Climate Crisis, the Select Committee on the Modernization of Congress, and the Select Subcommittee on the Coronavirus Crisis as well as creating a new Select Committee on Economic Disparity and Fairness in Growth. The new rules bans former Members convicted of corruption from the House floor, codifies the Office of the Whistleblower Ombuds, and protects whistleblowers from retaliation and from having their identities disclosed without their consent. The rules package allows Congress to continue investigations into the census and coronavirus response. It maintains the longstanding PAYGO rule while including exceptions for responses to the COVID-19 pandemic and climate change. The package also strengthens Truth in Testimony disclosure requirements for witnesses appearing before committees, and it creates a process for House Members to formally lend their support to Senate-passed bills.

The package continues remote voting by proxy and remote committee activity put in place in the 116th Congress during the pandemic. It maintains a motion to recommit for the minority while reforming it so it is a true procedural vote without specific instructions and debate and no longer can be used to hijack the legislative process for political gamesmanship.

Click [here](#) for the bill text.

Click [here](#) for a section-by-section from the Rules Committee.

Click [here](#) for a press release from Speaker Pelosi and Chairman McGovern.

In the **Senate**, the first day procedures are as follows:

- Swearing in Senators elected or reelected in the most recent general election (approximately one-third of the Senate) or newly appointed to the convening Senate
- Establishing the presence of a quorum
- Adopting administrative resolutions
- Adopting standing orders for the new Congress
- Agreeing by unanimous consent to a date, other than the convening date, on which bills, and joint resolutions may begin to be introduced
- Electing a new President pro tempore and one or more Senate officers if there is a vacancy or a change in party control.

Negotiations between parties over committee sizes and ratios, parties' action on committee assignments, is ongoing in the Senate. The committee assignment process may continue after the beginning days of a new Congress. (**Note:** These procedures may not begin in earnest until the Georgia runoff election results are clear on January 5<sup>th</sup> or later if the vote margins are close.)

The Senate has designated January 21<sup>st</sup> as the first day bill introductions will be accepted, but they will meet along with the House on January 6<sup>th</sup> to count and certify the electoral votes.

Both parties in the House and Senate have voted on their leadership positions and selected new committee leaders for the 117<sup>th</sup> Congress, First Session. New leaders are **highlighted** in the charts below. Additionally, each name is hyperlinked to the Member's website that corresponds with the position (e.g., because Liz Cheney is the GOP Conference Chair, her name is linked to [www.gop.gov](http://www.gop.gov), the House Republican Conference website).

House Leadership Democrat (Majority)					
Speaker	Majority Leader	Majority Whip	Assistant Speaker	Caucus Chair	Caucus Vice Chair
<a href="#">Nancy Pelosi</a>	<a href="#">Steny Hoyer</a>	<a href="#">James Clyburn</a>	<a href="#">Katherine Clark</a>	<a href="#">Hakeem Jeffries</a>	<a href="#">Pete Aguilar</a>
Republican (Minority)					
Minority Leader	Minority Whip	Conference Chair	Policy Committee Chair	Conference Vice Chair	NRCC Chair
<a href="#">Kevin McCarthy</a>	<a href="#">Steve Scalise</a>	<a href="#">Liz Cheney</a>	<a href="#">Gary Palmer</a>	<a href="#">Mike Johnson</a>	<a href="#">Tom Emmer</a>



Senate Leadership						
Republican (Majority)* pending GA elections						
Majority Leader	President Pro Tempore	Majority Whip	Conference Chair	Policy Committee Chair	Conference Vice Chair	NRSC Chair
<a href="#">Mitch McConnell</a>	<a href="#">Chuck Grassley</a>	<a href="#">John Thune</a>	<a href="#">John Barrasso</a>	<a href="#">Roy Blunt</a>	<a href="#">Joni Ernst</a>	<a href="#">Rick Scott</a>
Democrat (Minority)						
Leader & Conference Chair	Minority Whip	Assistant Minority Leader	Policy and Comms Chair	Conference Vice Chair	Steering Chair	DSCC Chair
<a href="#">Chuck Schumer</a>	<a href="#">Richard Durbin</a>	<a href="#">Patty Murray</a>	<a href="#">Debbie Stabenow</a>	<a href="#">Elizabeth Warren</a>	<a href="#">Amy Klobuchar</a>	<a href="#">Chris Van Hollen</a>

Furthermore, the House Committee leadership positions are included in the table below. While all of the House Committee leadership positions have been determined, the Senate is waiting to determine new Chairs and Ranking Members until after the Georgia Runoff Elections. Once again, each Member named in the chart below is hyperlinked to their respective website and newly elected leaders are highlighted.

House Committees									
Agriculture		Appropriations		Armed Services		Budget		Ed and Labor	
Chair	Ranking	Chair	Ranking	Chair	Ranking	Chair	Ranking	Chair	Ranking
<a href="#">David Scott</a>	<a href="#">GT Thompson</a>	<a href="#">Rosa DeLauro</a>	<a href="#">Kay Granger</a>	<a href="#">Adam Smith</a>	<a href="#">Mike Rogers</a>	<a href="#">John Yarmuth</a>	<a href="#">Jason Smith</a>	<a href="#">Bobby Scott</a>	<a href="#">Virginia Foxx</a>
Energy and Commerce		Financial Services		Foreign Affairs		Homeland Security		Judiciary	
Chair	Ranking	Chair	Ranking	Chair	Ranking	Chair	Ranking	Chair	Ranking
<a href="#">Frank Pallone</a>	<a href="#">McMorris Rodgers</a>	<a href="#">Maxine Waters</a>	<a href="#">Patrick McHenry</a>	<a href="#">Gregory Meeks</a>	<a href="#">Mike McCaul</a>	<a href="#">Bennie Thompson</a>	<a href="#">John Katko</a>	<a href="#">Jerrold Nadler</a>	<a href="#">Jim Jordan</a>
Natural Resources		Oversight and Reform		Science, Space, and Tech		Small Business		T&I	
Chair	Ranking	Chair	Ranking	Chair	Ranking	Chair	Ranking	Chair	Ranking
<a href="#">Raul Grijalva</a>	<a href="#">Bruce Westerman</a>	<a href="#">Carolyn Maloney</a>	<a href="#">James Comer</a>	<a href="#">Eddie Bernice Johnson</a>	<a href="#">Frank Lucas</a>	<a href="#">Nydia Velazquez</a>	<a href="#">Blaine Luetkemeyer</a>	<a href="#">Peter DeFazio</a>	<a href="#">Sam Graves</a>
Veterans Affairs				Ways and Means					
Chair		Ranking		Chair		Ranking			
<a href="#">Mark Takano</a>		<a href="#">Mike Bost</a>		<a href="#">Richard Neal</a>		<a href="#">Kevin Brady</a>			



## **Biden Administration – Nominations and White House Advisors**

In December the Biden team began announcing expected nominees for Cabinet appointments, White House Staff, and other positions. An ongoing list of announced names is included below:

### **Require Senate Confirmation:**

**Pete Buttigieg** will be nominated as Secretary of Transportation. He previously served as Mayor of South Bend, Indiana.

**Dr. Miguel Cardona** will be nominated as the next Secretary of Education. He has been a 4<sup>th</sup> grade teacher, Principal, and Assistant Superintendent.

**Katherine Tai** will be nominated as US Trade Representative. Tai served in the USTR's Office of the General Counsel, first as Associate General Counsel from 2007 to 2011 and then as Chief Counsel for China Trade Enforcement with responsibility for the development and litigation of U.S. disputes against China at the World Trade Organization (WTO).

**Marcia Fudge** will be nominated to serve as the next Secretary of Housing and Urban Development (HUD). Marcia Fudge has been a Member of the US House of Representatives since 2008 in Ohio's 11<sup>th</sup> Congressional District, covering much of Cleveland and Akron. Prior to the House, she was Mayor of Warrensville Heights, Ohio.

**Tom Vilsack** will be nominated as Secretary of US Department of Agriculture (USDA). Tom Vilsack was USDA Secretary for all eight years of the Obama Administration and is the former governor of Iowa.

**Denis McDonough** will be nominated as Secretary of Veterans Affairs (VA). He is a former White House Chief of Staff under President Obama, serving from January 2012 until January 2017. Prior to this role, he held a number of legislative aide positions in the Senate, focusing on foreign affairs.

**Llyod Austin** will be nominated to serve as the next Secretary of Defense. He is a retired Army General and former Commander of CENTCOM. Austin retired in 2016, so the House and Senate would need to pass a waiver to override a law requiring the top position in the DOD to be filled by a civilian who has not been in the military for at least seven years. This law is designed to provide a "cooling off" period and ensure civilian control of the military. Secretary Mattis received this waiver in 2016 before President Trump was inaugurated, and while this is only one of two times in history a waiver has been granted.

**Alejandro Mayorkas** is expected to be nominated as Secretary of the Department of Homeland Security (DHS). Mayorkas previously served as a US Attorney, Director of US Citizenship and Immigration Services, and Deputy Secretary of DHS.

**Xavier Becerra** has been named to be the next Secretary of Health and Human Services. Becerra was previously a US Representative from California (1993-2017) and Chair of the House Democratic Caucus. He is currently serving as the Attorney General for the State of California.

**Antony Blinken** is expected to be nominated to serve as Secretary of State. He previously served as the Deputy Secretary of State from 2015 to 2017 and as Deputy National Security Advisor from 2013 to 2015.

Former Chair of the Federal Reserve **Janet Yellen** has been tapped to be nominated as Secretary of the Treasury. She formerly served as Chair of the White House Council of Economic Advisors under President Clinton. If confirmed, she will be the first woman to serve as Secretary of the Treasury.

**Wally Adeyemo** will be nominated as Deputy Secretary of the Treasury. He previously served in the Obama administration as Deputy Director of the National Economic Council and Deputy National Security Advisor.

**Dr. Vivek Murthy** will be nominated to become the next Surgeon General of the United States. Dr. Murthy previously served as Surgeon General under President Obama. He will also serve as co-chair of President Biden's COVID-19 Advisory Board.

**Katherine Tai** will be nominated as US Trade Representative. She previously served as Chief Trade Counsel on the House Ways and Means Committee.

**Linda Thomas-Greenfield** will be nominated to serve as Ambassador to the United Nations. She previously served as Assistant Secretary of State for African Affairs.

**Avril Haines** will be the National Intelligence Director. Haines previously served as Deputy National Security Advisor for the Obama Administration and as Deputy Director of the CIA.

**Neera Tanden** will be nominated to serve as the Director of the Office of Management and Budget (OMB). Tanden has previously served as senior advisor to Secretary Kathleen Sebelius at HHS, helping to draft the Affordable Care Act. She has also been a longtime senior Vice President of the Centers for American Progress think tank.

**Cecilia Rouse** will be nominated as Chair of the White House Council of Economic Affairs. She is a former member of the Obama-Biden Council of Economic Advisers, and dean of the Princeton School of Public and International Affairs.

**Brenda Mallory** will be nominated as the Chair of the White House Council on Environmental Quality. Mallory has served in both Democratic and Republican administrations, including as General Counsel on the White House Council on Environmental Quality and as the Principal Deputy General Counsel at the Environmental Protection Agency during the Obama-Biden Administration.

*Positions that do not require a Senate Confirmation include the following:*

**Ron Klain** will be Chief of Staff to the President. Klain has served as Chief of Staff to both Vice President Al Gore and Vice President Joe Biden.

**Jen O'Malley Dillon** will be Deputy Chief of Staff. Jen O'Malley Dillon served as the Campaign Manager for the Biden-Harris campaign.

**Symone Sanders** will be Senior Advisor and Chief Spokesperson for the Vice President. Symone Sanders served as a Senior Advisor on the Biden-Harris campaign and in 2016 on the Bernie Sanders campaign for President.

**Jake Sullivan** will be National Security Advisor. Sullivan previously served as Deputy Chief of Staff at the Department of State, and as Deputy Assistant to the President and National Security Advisor to Vice President Biden.

Former Secretary of State **John Kerry** will be joining the Biden Administration as an advisor on climate change. Kerry said that as the "President's Climate Envoy", the federal government will treat climate change as an urgent national security threat.

**Jared Bernstein** will be a member of the Council of Economic Advisors. He previously Served as Vice-President Biden's Chief Economist during in the first years of the Obama Administration.

**Heather Boushey** will be a member of the Council of Economic Advisors. Boushey served as chief economist for Secretary of State Hillary Clinton's 2016 presidential transition team, and previously served as an economist for the Center for American Progress, the Joint Economic Committee of the U.S. Congress, the Center for Economic and Policy Research, and the Economic Policy Institute.

**Brian Deese** will be Director of the National Economic Council. During the Obama Administration, he served as Special Assistant to the President for Economic Policy after the 2008 financial crisis, as Deputy Director of the National Economic Council, and as Deputy Director and Acting Director of the Office of Management and Budget.

**Julie Rodriguez** will be Director of the White House Office of Intergovernmental Affairs. During the Obama-Biden administration, Chavez Rodriguez served as Special Assistant to the President and Senior Deputy Director of Public Engagement in the Office of Public Engagement.

**Louisa Terrell** will be the Director of the White House Office of Legislative Affairs. She previously served as a Special Assistant to the President for Legislative Affairs under President Obama.

**Reema Dodin** and **Shuwanza Goff** will be Deputy Directors of the White House Office of Legislative Affairs. Reema Dodin serves as Deputy Chief of Staff and Floor Director to the Senate Democratic Whip, Senator Richard Durbin (D-IL). Shuwanza Goff served as Floor Director for the House of Representatives under House Majority Leader Steny H. Hoyer.

**Dana Remus** will be White House Counsel. During the Obama-Biden administration, Remus was the Deputy Assistant to the President and Deputy Counsel for Ethics. Previously, she was a Professor of Law at the University of North Carolina School of Law, where she specialized in legal and judicial ethics and the regulation of the legal profession. Remus clerked for U.S. Supreme Court Associate Justice Samuel A. Alito, Jr. and Judge Anthony J. Scirica of the U.S. Court of Appeals for the Third Circuit, and was an associate at Cravath, Swaine & Moore LLP.

**Kate Bedingfield** will be White House Communications Director.

**Jen Psaki** will be Press Secretary.

**Anthony Fauci** will stay on as Chief Medical Advisor to the President on COVID-19.

**Dr. Rochelle Walensky** is expected to be appointed as Director of the Centers for Disease Control and Prevention (CDC). The position does not require Senate confirmation.

**Jeff Zients** will be coordinator of the COVID-19 Response and Counselor to the President. He previously served as Director of the National Economic Council, Acting Director of OMB, and is responsible for the 2013 healthcare.gov “tech surge” and the “Cash for Clunkers” program.

**Natalie Quillian** will be Deputy Coordinator of the COVID-19 Response. Previously served as Advisor to the White House Chief of Staff and Senior Advisor to the Deputy National Security Advisor during the Obama Administration.



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Extension of Coronavirus-Related Leaves

Finance and Administration Committee Meeting of January 13, 2021

**Present:** Directors Do, Hennessey, Hernandez, Jones, and Muller

**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 5-0 by the Members present.

### **Committee Recommendations**

- A. Approve the extension of employees' ability to use Emergency Paid Sick Leave to provide compensation relief for coronavirus-related absences.
- B. Authorize the Chief Executive Officer, or designee, to administer continuation of Emergency Paid Sick Leave and Expanded Family Medical Leave for employees, effective January 1, 2021 until March 31, 2021, and allow program extension beyond that date as necessary to accommodate need and with notification to the Board of Directors.



**January 13, 2021**

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Extension of Coronavirus-Related Leaves

### **Overview**

Federal law required Emergency Paid Sick Leave and Expanded Family Medical Leave under the Family and Medical Leave Act for coronavirus-related absences through December 31, 2020. This requirement was not continued in the most recent federal funding agreement. In order to address the anticipated need for leaves, Board of Directors' approval is requested to extend the Emergency Paid Sick Leave and Expanded Family Medical Leave for eligible employees, effective January 1, 2021 until March 31, 2021.

### **Recommendations**

- A. Approve the extension of employees' ability to use Emergency Paid Sick Leave to provide compensation relief for coronavirus-related absences.
- B. Authorize the Chief Executive Officer, or designee, to administer continuation of Emergency Paid Sick Leave and Expanded Family Medical Leave for employees, effective January 1, 2021 until March 31, 2021, and allow program extension beyond that date as necessary to accommodate need and with notification to the Board of Directors.

### **Background**

Since March 2020, the coronavirus (COVID-19) pandemic has continued to disrupt the normal operation of schools, businesses, and government. In response to the COVID-19 pandemic, Congress passed, and the President signed, multiple pieces of legislation in March 2020 requiring that employers provide leave for employees with COVID-19 related absences. The Orange County Transportation Authority (OCTA) implemented the statutorily required leave, as indicated below.

**Emergency Paid Sick Leave (EPSL)**

Eligible full-time employees received a one-time allotment of up to 80 hours (or ten days total, whichever came first) of EPSL as a result of any of the following:

- a) Was subject to a federal, state, or local quarantine or isolation order related to COVID-19.
- b) Was advised by a healthcare provider to self-quarantine related to COVID-19.
- c) Was experiencing COVID-19 symptoms and was seeking a medical diagnosis.
- d) Was caring for an individual subject to an order described in (a) above or self-quarantined as described in (b).
- e) Was caring for his or her child whose school or place of care is closed (or childcare provider was unavailable) due to COVID-19-related reasons.
- f) Was experiencing any other substantially similar condition specified by the United States Department of Health and Human Services.

Under EPSL, employees were paid their regular rate of pay for up to \$511.00 per day, for a total of \$5110.00 for qualifying reasons in sections a-c above. Employees were paid two thirds (2/3) of their regular rate of pay for up to \$200.00 per day, for a total of \$2,000.00 for qualifying reasons in sections d and f above.

The Executive Director of Human Resources and Organizational Development had discretion to compensate an administrative employee's rate of pay above the daily rates and maximums for each reason listed in sections a-f.

Extra help and part-time employees were eligible to take EPSL as determined by the average hours worked during the previous two weeks prior to the EPSL request.

**Expanded Family Medical Leave (EFML)**

Employees who needed to take time off to care for their child whose school or place of care was closed (or childcare provider was unavailable) due to COVID-19-related reasons, could apply for an expanded protected leave of up to twelve (12) weeks. Those employees were paid for up to twelve (12) combined weeks of EPSL (two weeks) and EFML (ten weeks), paid at two thirds (2/3) of their regular rate of pay up to \$200.00 daily, for a total of \$12,000.00.

***Discussion***

The recently-enacted federal funding agreement, which will be discussed in detail at the January 21, 2021 meeting of the Legislative and Communications Committee, did not extend the statutorily-required leave, although the bill did make administrative leave an eligible use of federal funds. To ensure that OCTA maximizes the health and safety of its employees and the public they serve, it is in its best interest to voluntarily extend the current employee leave programs until March 31, 2021, utilizing allowable existing Coronavirus Aid, Relief and Economic Security (CARES) Act funds. Orange County saw an unprecedented increase in COVID-19 cases in the month of December 2020 and the rate is predicted to continue to increase in January 2021. OCTA is experiencing similar increases in COVID-19 positive cases amongst staff. Extending the time within which OCTA employees may use both leave programs will allow for more flexibility to use this time during a period when cases are increasing.

***Summary***

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to administer continuation of EPSL and EFML for employees, effective January 1, 2021 until March 31, 2021, with discretion to extend the program beyond that date as needed.

***Attachment***

None.

**Prepared by:**

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Karen DeCrescenzo  
Department Manager,  
Human Resources  
714-560-5547

**Approved by:**

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





## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors  
**From:** Andrea West, Interim Clerk of the Board   
**Subject:** Amendment to Agreement for Bus Advertising Revenue Program

Legislative and Communications Committee Meeting of January 21, 2021

**Present:** Directors Bartlett, Delgleize, Hennessey, Hernandez, and Wagner  
**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 5-0 by the Members present.

### **Committee Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3076 between the Orange County Transportation Authority and Outfront Media Group, LLC, to eliminate the minimum annual guarantee and adopt a payment term based solely on a 70 percent revenue-sharing arrangement through December 2021.



**January 21, 2021**

**To:** Legislative and Communications Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Amendment to Agreement for Bus Advertising Revenue Program

**Overview**

On June 22, 2015, the Orange County Transportation Authority's Board of Directors approved an agreement with Outfront Media Group, LLC, to sell, place, and maintain advertisements on its bus vehicles. In response to declining revenue due to the coronavirus pandemic, on July 20, 2020, the Board of Directors approved an amendment to exercise the second option term with a modified payment provision. Due to the extended effects of the pandemic, Outfront Media Group, LLC, is requesting a temporary modification to the existing minimum annual guarantee requirement.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3076 between the Orange County Transportation Authority and Outfront Media Group, LLC, to eliminate the minimum annual guarantee and adopt a payment term based solely on a 70 percent revenue-sharing arrangement through December 2021.

**Discussion**

The Orange County Transportation Authority (OCTA) has historically contracted with an outside advertising sales firm to sell, place, and maintain advertisements on the interior and exterior of its buses, which provides revenue for OCTA to support bus operations. OCTA has contracted with Outfront Media Group, LLC, (Outfront) for these services since September 1, 2015. The agreement is currently in its second option term, due to end on August 31, 2022.

The initial contract as awarded included revenues to be paid to OCTA from Outfront based on either a minimum annual guarantee amount of \$4 million per year, paid in equal monthly payments of \$333,333, or 70 percent of gross advertising sales revenue, whichever is the greater amount. Since the inception

of the agreement, Outfront has performed in accordance with the provisions in the agreement and provided timely payments.

The coronavirus (COVID-19) pandemic has had a significant impact on OC Bus ridership, resulting in a reduced level of service and a decrease in the number of buses used to provide daily service, thereby creating a substantial decrease in advertising sales revenue. As a result, Outfront requested to amend the payment terms of the contract to be based solely on a revenue-sharing arrangement of 70 percent, eliminating the minimum annual guarantee for the remainder of the first option term ending August 31, 2020. The OCTA Board of Directors (Board) approved this amendment on April 27, 2020.

In response to continued declining revenue due to the COVID-19 pandemic, on July 20, 2020, the Board approved an amendment to exercise the second option term of the agreement whereby OCTA would continue to receive 70 percent of the revenue share until such time that the United States (U.S.) real gross domestic product (GDP), as reported by the Bureau of Economic Analysis, shows positive growth for a one quarter period. U.S. real GDP is an inflation-adjusted measure that reflects the value of all goods and services produced by the U.S. economy. Following the quarter of GDP growth, OCTA would begin receiving the minimum guarantee of \$333,333 per month for the balance of the term ending August 31, 2022.

Preliminary GDP estimates for 2020 show that the second quarter GDP decreased by 31.4 percent and the third quarter increased 33.1 percent. The estimated increase for the third quarter reflects continued efforts to reopen businesses and resume activities that were postponed or restricted due to the COVID-19 pandemic. Though an increase in national GDP is positive with nationwide reopenings, it does not accurately reflect the Orange County economy. Because of these unprecedented times, it is difficult to anticipate a universal trigger that would indicate when our local economy, along with transit advertising sales, will begin experiencing positive growth.

The extended impact of the COVID-19 pandemic and recent reissuance of state mandated stay-at-home restrictions have significantly impacted the economy, including transit advertising sales. The stay-at-home order is limiting the public's ability to travel and extended the reduced OC Bus services levels, and as a result, advertising sales have significantly declined, and an unprecedented number of advertising contract cancellations continue to take place. These impacts combined have resulted in a 32.5 percent reduction in Outfront's sales revenue from August through December 2020.

Based on a projected decline in revenue, Outfront is seeking continued relief by asking all of their transit clients to extend the elimination of the minimum annual guarantee through the calendar year 2021. With the new payment provision, Outfront will continue to pay OCTA on a revenue sharing basis of 70 percent of the gross advertising sales revenue through December 2021, with resumption of the minimum annual guarantee in January 2022.

A similar situation occurred during the recession in 2010. At that time, the Board made the decision to accept the former vendor's request to eliminate the annual minimum guarantee and increase the revenue-sharing percentage from 60 percent to 67 percent. While the situation is similar with Outfront's request to eliminate the minimum guarantee, staff is not requesting an increase in revenue share due the substantial reduction of OCTA's in-service vehicle fleet. Additionally, in comparing OCTA's revenue sharing arrangement with Outfront's current transit clients, shown in the chart below, OCTA has the highest revenue sharing percentage at 70 percent. It also indicates the transit authorities that have either agreed, or are in negotiations, to eliminate the minimum annual guarantee for 2021, which would align OCTA with our transit peers.

	Minimum Annual Guarantee	Pre-Pandemic Revenue-Sharing Arrangement	Post-Pandemic Revenue-Sharing Arrangement	Updated Payment Provisions for 2021
OCTA	\$4,000,000	70%	70%	
Los Angeles County Metropolitan Transportation Authority	\$23,500,500	55%	55%	Elimination of MAG* for 2021
Long Beach Transit	\$675,000	60%	60%	Pause of MAG through pandemic
Santa Clara Valley Transportation Authority	\$2,200,000	65%	65%	Elimination of MAG for 1 <sup>st</sup> quarter 2021 with quarterly review
Metropolitan Atlanta Rapid Transit Authority	\$3,840,000	65%	65%	Currently in negotiations
Ann Arbor Area Transportation Authority	\$104,167	50%	50%	Pause of MAG through pandemic

\* MAG – Minimal Annual Guarantee

***Procurement Approach***

This procurement was originally handled in accordance with OCTA's Board-approved policies and procedures for professional and technical services. On July 22, 2015, the Board approved the award of the agreement with Outfront. The original agreement was awarded on a competitive basis and includes a three-year initial term with two, two-year option terms. This agreement has been previously amended as shown on Attachment A.

Outfront has offered good customer service for the bus advertising revenue program and has performed in accordance with the terms and conditions of the agreement including the second option term. This renegotiation for temporary modification to the existing minimum annual guarantee will allow Outfront to continue providing OCTA bus advertising revenues to support bus operations.

**Fiscal Impact**

Pending approval by the Board, OCTA will receive 70 percent of the bus advertising sales gross revenue instead of the minimum guarantee for calendar year 2021 and will begin receiving the minimum annual guarantee of equal monthly payments of \$333,333 beginning January 2022 for the remainder of the contract term ending August 31, 2022. The potential loss in revenue is estimated to be up to \$2 million.

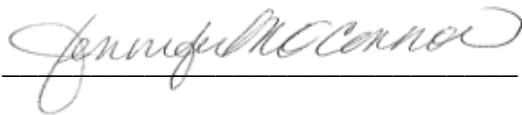
***Summary***

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-5-3076 between the Orange County Transportation Authority and Outfront Media Group, LLC, to eliminate the minimum annual guarantee and adopt a payment term based solely on a 70 percent revenue-sharing arrangement through December 2021.

***Attachment***

A. Outfront Media Group, LLC, Agreement No. C-5-3076 Fact Sheet

**Prepared by:**



Jennifer O'Connor  
Marketing Specialist, Principal  
(714) 560-5369



Pia Veasapen  
Director, Contracts Administration and  
Materials Management  
(714) 560-5619

**Approved by:**



Maggie McJilton  
Interim Executive Director,  
External Affairs  
(714) 560-5824

## **ATTACHMENT A**

### **Outfront Media Group, LLC Agreement No. C-5-3076 Fact Sheet**

1. June 22, 2015, Agreement No. C-5-3076, in the amount of \$12,000,000 in revenue, for a three-year initial term with two, two-year option terms approved by the Board of Directors (Board).
  - Revenue-generating agreement for selling, placing, and maintaining advertisements on OCTA's transit vehicles.
  - Initial term effective September 1, 2015 through August 31, 2018, with two, two-year option terms.
2. May 25, 2018, Amendment No. 1 to Agreement No. C-5-3076, \$8,000,000 minimum in revenue, approved by the Board.
  - Amendment to exercise the first option term of the agreement effective September 1, 2018 through August 31, 2020.
3. April 27, 2020, Amendment No. 2 to Agreement No. C-5-3076, 70 percent revenue- share, approved by the Board.
  - Eliminated the annual minimum guarantee and adopted a payment term based solely on a 70 percent revenue-sharing arrangement beginning April 1, 2020 through August 31, 2020.
4. July 27, 2020, Amendment No. 3 to Agreement No. C-5-3076, continue the 70 percent of revenue-sharing arrangement, approved by the Board.
  - Amendment to exercise the second option term of the agreement effective September 1, 2020 through August 31, 2022.
  - Extended the elimination of the minimum annual guarantee.
5. January 25, 2021, Amendment No. 4 to Agreement No. C-5-3076, continue the 70 percent revenue-sharing arrangement, pending approval by the Board.
  - Amendment to temporarily accept revenue-share only payments until December 31, 2021 and resuming the minimum annual guarantee on January 1, 2022.



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Award of Agreement for the Purchase of Electric Vehicle Chargers and Energy Management System

### Transit Committee Meeting of January 14, 2021

**Present:** Directors Do, Jones, Shaw, and Sidhu  
**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 4-0 by the Members present.

### **Committee Recommendations**

- A. Approve the selection of ChargePoint, Inc., as the firm to provide up to 72 electric vehicle charging stations with an energy management system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2692 between the Orange County Transportation Authority and ChargePoint, Inc., in the amount of \$484,331, to provide up to 72 electric vehicle charging stations with an energy management system, for a five-year initial term effective February 1, 2021 through January 31, 2026, with one, three-year option term.





**January 14, 2021**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Award of Agreement for the Purchase of Electric Vehicle Chargers and Energy Management System

### **Overview**

The Orange County Transportation Authority uses a variety of light-duty vehicles to support bus operations. Operator relief vehicles are light-duty vehicles used primarily to relieve coach operators in the field while on duty. On August 10, 2020, the Board of Directors approved the purchase of up to 55 battery electric vehicles to replace the current fleet of compressed natural gas-powered operator relief vehicles. Board of Directors' approval is requested to execute an agreement to purchase required electric vehicle charging stations with an energy management system to support the battery electric vehicle fleet.

### **Recommendations**

- A. Approve the selection of ChargePoint, Inc., as the firm to provide up to 72 electric vehicle charging stations with an energy management system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2692 between the Orange County Transportation Authority and ChargePoint, Inc., in the amount of \$484,331, to provide up to 72 electric vehicle charging stations with an energy management system, for a five-year initial term effective February 1, 2021 through January 31, 2026, with one, three-year option term.

### **Discussion**

The Orange County Transportation Authority (OCTA) currently owns, operates, and maintains a fleet of vehicles used to support bus operations, transit police services, administrative staff pool vehicles, and department-assigned vehicles. These vehicles are referred to as non-revenue vehicles.

Fifty-five of those non-revenue vehicles are used as operator relief vehicles (ORV) in support of bus operations. The ORVs are primarily used to relieve bus operators in the field while on duty. The current ORV fleet is comprised of 55 compressed natural gas-powered vehicles that are in the process of being replaced by battery electric vehicles (EV). The new vehicles require daily charging via dedicated charging stations to maintain the required state of charge and operating range.

The charging stations will provide the necessary charging infrastructure to supply the energy needed to recharge the battery EVs and manage the energy being utilized to minimize operating costs through specialized energy management software. The total charging infrastructure will include up to 60 non-pay charging stations to be used for the ORV fleet, ten pay-per-use charging stations for visitors and employees, and two pay-per-use fast chargers for visitors and employees. The fast chargers will also be used for the ORV fleet when a quick charge is needed. The energy management software will allow staff to monitor and adjust energy usage, view real-time charging status for each vehicle, set pricing and charging policies, as well as many other useful features. This procurement also includes an extended warranty and a maintenance agreement that will ensure that the charging stations are available to meet service demands.

### ***Procurement Approach***

The procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. Various factors are considered in the award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On November 12, 2020, Request for Proposals (RFP) 0-2692 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on November 13 and 16, 2020. A pre-proposal conference was held on November 17, 2020, with five attendees representing five firms. Two addenda were issued to make available the pre-proposal conference registration sheet and presentation, as well as respond to written questions.

On December 3, 2020, five proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Maintenance and Motorist Services, Maintenance Resource Management and Facilities Engineering departments, as well as an external

evaluator from Dahl, Taylor & Associates, Inc., who served as the subject matter expert for this project met to review the proposals received.

The proposals were evaluated based on the following evaluation criteria and weightings:

- |                                     |            |
|-------------------------------------|------------|
| • Qualification of the Firm         | 30 percent |
| • Staffing and Project Organization | 20 percent |
| • Work Plan                         | 25 percent |
| • Cost and Price                    | 25 percent |

Several factors were considered in developing the evaluation criteria weightings. Qualifications of the firm was weighted highest at 30 percent to emphasize the importance of the proposing firms having relevant experience in EV charging station and energy maintenance services. The success of this project demands a firm that has demonstrated comprehension of the specifications with a proven history of similar project delivery, project management, and installation support. Staffing and project organization was assigned 20 percent to ensure the firms have the knowledgeable and experienced staff to perform the requested services. The work plan was given the weight of 25 percent to address the proposing firm's approach and ability to deliver maintenance services, furnish charging stations, and provision of communication utility infrastructure to charging stations. Cost and price was also weighted at 25 percent ensure competitive pricing and that OCTA receives value for the services provided.

On December 8, 2020, the evaluation committee reviewed five proposals based on the evaluation criteria and short-listed the two most qualified firms listed below in alphabetical order to participate in the interviews:

Firm and Location

ChargePoint, Inc. (ChargePoint)  
Campbell, California

PCS Energy, LLC (PCS)  
Culver City, California

On December 14, 2020, the evaluation committee conducted interviews with both firms. During the interview, each firm had the opportunity to present its approach for delivering the requested EV charging stations and services, project team qualifications, and respond to evaluation committee questions. Firms were requested to include a live demonstration of proposed software solutions in their

presentation. Firms described the features and specifications of the proposed chargers, such as the manufacturing lead time, useful life, and warranty. The firms also discussed their experience of installation and operations of chargers for fleet vehicles. Both firms were also asked specific clarification questions related to OCTA's requirements specified in the scope of work.

Based on the evaluation of the written proposals and responses from the interviews, the evaluation committee is recommending ChargePoint for consideration of the award. The following is a brief summary of the proposal evaluation results.

#### **Qualifications of the Firm**

ChargePoint was founded in 2007 and is headquartered in the city of Campbell, California. The firm is solely dedicated to design and manufacture charging hardware. It operates as a one-stop shop offering a turn-key solution for charging infrastructures, energy management software, a payment platform, and a fleet vehicle management system. The firm has installed over 125,000 EV chargers for 8,000 customers. During the interview, ChargePoint confirmed that it has experience of installing chargers for a fleet of 7,000 vehicles. ChargePoint's proposed subcontractors are required to go through ChargePoint's training and certification program to prevent any operational issues with the charging stations. The firm's customers include the County of Orange and the cities of Anaheim and Long Beach.

PCS was founded in 2016 to offer renewable energy solutions for organizations and properties. It has installed over 10,000 EV chargers and has experience in working with charger manufacturers, software providers, and contractors for EV charger installations. During the interview, PCS confirmed that it has not yet had the experience of installing chargers for fleet use. While it has working experience with Los Angeles Department of Water and Power, its customer base is mostly commercial property management firms, such as Moss & Company Property Management and Beverly Hills Properties.

#### **Staffing and Project Organization**

ChargePoint's proposed project team demonstrated experience in providing EV charging station and an energy management system (EMS). The proposed account director has 23 years of experience in technology and knowledge in EV solutions. Key personnel proposed by ChargePoint include a regional sales manager as the second point of contact and a support manager as the technical contact. All proposed personnel have been with the company over six years.

ChargePoint's staffing plan also includes additional personnel to provide project support and oversight from its executive team. During the interview, ChargePoint's team fully demonstrated the understanding of project nature and ensured the project will meet the scope of work requirements.

PCS' proposed main account contact demonstrated relevant project experience and is based in the City of Los Angeles. PCS proposed its vice president of operations as the project oversight for procuring all necessary equipment, tools, and providing guidance for EV chargers delivery and installation. Other key personnel proposed by PCS include its vice president of EV construction, who will be in charge of EV charger infrastructure installations, and subcontractor's key personnel for overseeing the process and execution of the software solutions. All proposed PCS personnel have been with the company from two to four years.

#### Work Plan

ChargePoint's proposal demonstrated extensive knowledge and understanding of each task specified in the scope of work with examples showing how its charging system will perform on OCTA's vehicle. From the live demo during the interview, ChargePoint demonstrated its software applications ability to meet the needs and requirements specified in the scope of work. Detailed responses to each requirement specified in the scope of work were also clearly presented in its work plan. ChargePoint's proposed equipment is highly modular for ease of installation, service, and operations. ChargePoint manages spare parts via its support and operations teams and can be consigned spare parts as needed. The firm's work plan also included a sampling of reports that provides detailed and comprehensive reporting capabilities through its network platform. ChargePoint's system offers a 98 percent guaranteed uptime. During the interview, the firm demonstrated a solid approach to deliver a successful project, as required.

PCS' proposal demonstrated an understanding of the overall project. PCS' proposed subcontractor will manage all software solutions and end-user training of the networking technology. PCS will oversee quality and budget control. The software solutions proposed by PCS' subcontractor requires operators to use radio frequency identification tap cards to initiate charging. Additionally, PCS' work plan does not include a sampling of reports. PCS proposed two different brands of EV charger equipment, due to neither charger company providing a full solution. During the interview and the demo of software solutions, PCS demonstrated the ability to meeting the requirements

specified in the scope of work through its proposed subcontractor for the software solution.

#### **Cost and Price**

Pricing scores were based on a formula, which assigned the highest score to the lowest total pricing for charging station and EMS, and scored the other proposal's total pricing based on their relation to the lowest total pricing. ChargePoint proposed the lower total pricing.

#### **Procurement Summary**

Based on the evaluation of the written proposals, the firms' qualifications, and the information obtained from the interviews, the evaluation committee recommends the selection of ChargePoint as the firm to provide up to 72 electric vehicle charging stations with EMS.

#### **Fiscal Impact**

Funding is included in OCTA's Fiscal Year 2020-21 Budget, Maintenance Resource Management accounts 2159-9026-D2113-0ZF and 2159-9026-D2113-0DC.

#### ***Summary***

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2692 with ChargePoint, Inc., in the amount of \$484,331, to provide up to 72 electric vehicle charging stations with energy management system, for a five-year initial term, with one, three-year option term.

***Attachments***

- A. Review of Proposals, RFP 0-2692: Electric Charging Station and Energy Management System
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 0-2692: Electric Charging Station and Energy Management System
- C. Contract History for the Past Two Years, RFP 0-2692: Electric Charging Station and Energy Management System

**Prepared by:**



Cliff Thorne  
Director, Maintenance and Motorist  
Services  
714-560-5975

**Approved by:**



Jennifer L. Bergener  
Chief Operating Officer, Operations/  
Deputy Chief Executive Officer  
714-560-5462



Pia Veasapen  
Director, Contracts Administration and  
Materials Management  
714-560-5619

**Review of Proposals**  
**RFP 0-2692: Electric Charging Station and Energy Management System**  
Presented to Transit Committee - January 14, 2021  
**5 firms proposed, 2 firms were interviewed, 1 firm is being recommended**

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Total Cost
1	88	<b>ChargePoint Inc.</b>  Campbell, California	Video Data Communications  Smart Charge  Bear Electric	Firm founded in 2007 and solely dedicated to design and manufacture charging hardware and integrate its own software solutions. Offered a turn-key solution from charging infrastructures, energy management software, payment platform, to fleet vehicle management system. Installed over 125,000 electric vehicle (EV) chargers for 8,000 customers. Proposed a team of professional staff with experience in providing EV charging station and energy management system. Proposed key personnel fully presented the understanding of project nature and ensured the project will be meeting the scope of work requirements during the interview. Proposal demonstrated extensive knowledge and understanding of each requirement specified in the scope of work. A sampling of reports that provides detailed and comprehensive reporting capabilities through its network platform was included in the work plan and presented during the interview. Proposed lower overall pricing.	\$ 484,331.00
2	74	<b>PCS Energy LLC</b>  Culver City, California	Chargie LLC	Established in 2016 to offer renewable energy solutions for organizations and properties. Installed over 10,000 EV chargers. Previous experiences mainly with commercial property management firms. Proposed team has relevant project experience . Proposal demonstrated an understanding of the overall project. Proposed subcontractor will handle all software solutions and end-user training of the networking technology. Proposed higher overall pricing.	\$ 487,866.00

**Evaluation Panel:**

**Internal:**

Contracts Administration and Materials Management (1)  
Facilities Engineering (1)  
Maintenance Resource Management (1)  
Maintenance and Motorist Services (1)

**Proposal Criteria**

Qualifications of the Firm  
Staffing and Project Organization  
Work Plan  
Cost and Price

**Weight Factors**

30%  
20%  
25%  
25%

**External:**

Dahl, Taylor & Associates, Inc. (1)



**PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed Firms)**  
**RFP 0-2692: Electric Charging Station and Energy Management System**

<b>FIRM: ChargePoint, Inc.</b>						<b>Weights</b>	<b>Overall Score</b>
<b>Evaluator Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		
Qualifications of Firm	4.5	4.5	4.5	4.0	4.5	6	26.4
Staffing/Project Organization	4.0	4.0	4.0	4.0	4.0	4	16.0
Work Plan	4.5	4.5	4.0	4.0	4.0	5	21.0
Cost and Price	5.0	5.0	5.0	5.0	5.0	5	25.0
<b>Overall Score</b>	<b>90.5</b>	<b>90.5</b>	<b>88.0</b>	<b>85.0</b>	<b>88.0</b>		<b>88</b>
<b>FIRM: PCS Energy LLC</b>						<b>Weights</b>	<b>Overall Score</b>
<b>Evaluator Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		
Qualifications of Firm	3.0	3.5	3.5	3.0	3.0	6	19.2
Staffing/Project Organization	3.5	4.0	3.5	4.0	3.5	4	14.8
Work Plan	3.0	3.5	3.0	3.0	3.0	5	15.5
Cost and Price	4.96	4.96	4.96	4.96	4.96	5	24.8
<b>Overall Score</b>	<b>71.8</b>	<b>79.3</b>	<b>74.8</b>	<b>73.8</b>	<b>71.8</b>		<b>74</b>

**Scores for non-short-listed firms range from 56 to 60**

**CONTRACT HISTORY FOR THE PAST TWO YEARS**  
**RFP 0-2692: Electric Charging Station and Energy Management System**

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
<b>ChargePoint, Inc.</b> Contract Type: N/A Subconsultants: N/A						
	None	N/A	N/A	N/A	N/A	\$ -
<b>Sub Total</b>						<b>\$ -</b>
<b>PCS Energy LLC</b> Contract Type: N/A Subconsultants: N/A						
	None	N/A	N/A	N/A	N/A	\$ -
<b>Sub Total</b>						<b>\$ -</b>



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Sole Source Agreement for the Operation and Maintenance of Fluid Management System

### Transit Committee Meeting of January 14, 2021

**Present:** Directors Do, Jones, Shaw, and Sidhu  
**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 4-0 by the Members present.

### **Committee Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C-0-2615 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$644,296, for a four-year initial term with one, three-year option term, for the operations and maintenance of the current fluid management system.



**January 14, 2021**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Sole Source Agreement for Operations and Maintenance of Fluid Management System

### **Overview**

The Orange County Transportation Authority utilizes a fleet of 778 revenue vehicles and 151 non-revenue vehicles to provide both OC Bus and OC ACCESS services. This fleet of vehicles requires managed fuel and fluid dispensing. A proprietary computerized electronic fluid management system is currently used for authorizing fluid dispensing, as well as tracking odometer readings and fluid consumption of all fleet vehicles. The existing agreement for the operations and maintenance of the fluid management system will expire on February 28, 2021. Staff is requesting Board of Directors' approval to initiate a new sole source agreement to continue the operations and maintenance of the current system.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C-0-2615 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$644,296, for a four-year initial term with one, three-year option term, for the operations and maintenance of the current fluid management system.

### **Discussion**

The Fluid Management System (FMS) is a critical part of the Orange County Transportation Authority's (OCTA) bus operations and support services. The FMS authorizes fuel and fluid dispensing, as well as collects and compiles vital vehicle and fueling data used to manage vehicle maintenance and comply with regulatory compliance requirements. The proprietary software collects vehicle data to report to the Federal Transit Administration's National Transit Database as required on an annual basis. The FMS is also critical to the support of preventative maintenance intervals required to retain warranty and

optimum performance and service life. S&A Systems, Inc., (S&A) is the original equipment manufacturer of the FMS and utilizes proprietary software and hardware to perform this function. No other manufacturer or third-party support is available for the ongoing maintenance and support of this product; without this ongoing support, a completely new system would be required.

In November 2020, the Board of Directors (Board) approved two sole source agreements to replace outdated fluid management equipment. One agreement was for the remote island head units, which collect data and dispense fluid such as fuel. The other agreement was to replace the data loggers in the non-revenue vehicles, which transmit data such as mileage, to identify when a maintenance interval is approaching due as required by the vehicle manufacturer to retain warranty. This equipment is part of the FMS that will be covered in the agreement for operations and maintenance.

### ***Procurement Approach***

This procurement for the operations and maintenance of the current FMS was handled in accordance with OCTA Board-approved policies and procedures for a sole source procurement.

S&A is the exclusive owner of the FMS and utilizes proprietary software and hardware. In order to ensure continuity of the FMS, it is necessary to secure ongoing maintenance and support services. Therefore, this procurement meets the guidelines for a sole source purchase as the maintenance and support of the FMS are available from only one responsible source and no other supplier can meet the requirements.

S&A's quote was reviewed by staff from the Contracts Administration and Materials Management and Maintenance Resource Management departments to ensure compliance with the contract terms and conditions, as well as the technical requirements.

In accordance with OCTA's sole source procurement procedures, a sole source over \$50,000 requires OCTA's Internal Audit Department (Internal Audit) to conduct a price review of the vendor's proposed pricing. Internal Audit's review found that S&A's proposed pricing was comparable to what OCTA currently pays for the same service considering an appropriate escalation rate. Therefore, pricing is deemed fair and reasonable.

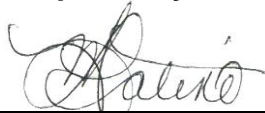
***Summary***

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C02615 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$644,296, for a four-year initial term with one, three-year option term, for the operations and maintenance of the current fluid management system.

***Attachment***

None.

**Prepared by:**



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Marie Latino  
Section Manager, Maintenance  
Resource Management  
714-560-5323

**Approved by:**



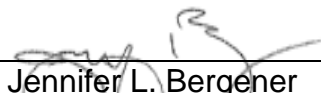
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Jennifer L. Bergener  
Chief Operating Officer, Operations/  
Deputy Chief Executive Officer  
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## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board

**Subject:** February 2021 Bus Service Change

Transit Committee Meeting of January 14, 2021

**Present:** Directors Do, Jones, Shaw, and Sidhu

**Absent:** None

**Committee Vote**

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

**Staff Recommendation**

Receive and file as an information item.



**January 14, 2021**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** February 2021 Bus Service Change

### **Overview**

The February 2021 bus service change will continue the same level of bus service as was implemented in October 2020. This recommendation is based on generally stable ridership demand. Staff is also underway with the development of a contingency plan should demand increase and additional service is needed between February 2021 and the regularly planned June 2021 schedule change.

### **Recommendation**

Receive and file as an information item.

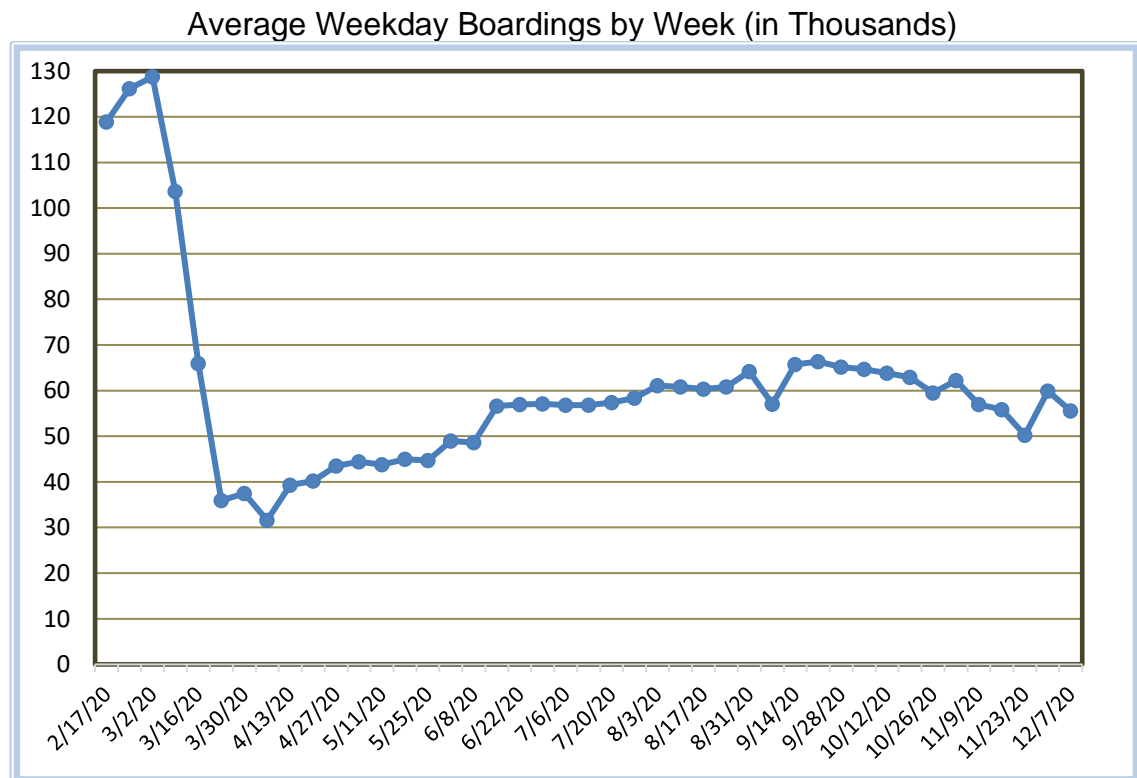
### **Background**

The Orange County Transportation Authority (OCTA) implements schedule and route revisions to selected OC Bus routes three times a year, in February, June, and October. The next bus service change is scheduled for implementation on February 14, 2021. OCTA implemented an emergency service change on March 23, 2020. This emergency service change reduced service levels to balance a reduction in demand for transit due to Governor Newsom's stay-at-home order to help reduce the spread of the coronavirus (COVID-19) by providing a baseline level of service for customers needing to make essential trips. Bus service was subsequently increased slightly in June 2020 as demand increased and to help ensure social distancing for passengers and OCTA coach operators. The same service levels were continued with the October 2020 service change. The increase in COVID-19 positivity rates in November and December continues to have a negative impact on bus ridership. Therefore, the February 2021 service change will continue the service that OCTA is currently operating.



### Discussion

After the implementation of the COVID-19 stay-at-home order, weekday OC Bus ridership dropped significantly. Weekday ridership decreased from approximately 125,000 boardings per day to the low 30,000s in April 2020 and then steadily recovered to the mid-60,000s where it remained from late August to late October. With the current rise in COVID-19 positivity rates, ridership has again decreased below 60,000.



On March 23, 2020, OCTA reduced fixed-route bus service approximately 40 percent by implementing Sunday service schedules on all routes, seven days a week. The June 2020, and subsequent October 2020 service change, provided an enhanced Saturday service schedule on weekdays and a regular, pre-COVID-19 schedule on Saturdays and Sundays.

For the February 2021 service change, weekday service will continue to be suspended on eight bus routes originally suspended in March 2020. To improve on-time performance, some minor schedule adjustments will be implemented on a select number of bus routes. Annualized revenue vehicle hours will continue at 1,182,000. This maintains the same service levels since June and

October 2020. This is approximately 25 percent below the 1,625,000 annualized revenue vehicle hours operated prior to COVID-19.

Staff anticipates that demand for OC Bus service will continue to remain steady between now and spring 2021 and can be accommodated with current service levels. In the event ridership increases and / or additional service is necessary to allow for social distancing, buses can be deployed, as needed, to operate additional bus trips (i.e., “trippers”), following the current practice. The completed installation of coach operator shields on the entire fleet allowed the number of passengers on each 40-foot bus to increase from 15 to 20. This allowed for sufficient social distancing and re-established front-door boarding which also allows for the active collection of fares. Capacity on 60-foot buses was also increased from 20 to 35 passengers. The change provided OCTA with the ability to accommodate more demand with scheduled services. After implementation in February 2021, staff will reassess the service change based on customer demand, workforce availability, and social distancing.

Staff has also started developing contingency plans, which could be implemented between February 2021 and the regularly planned June 2021 service change if ridership increases to a level that cannot be accommodated by existing service levels plus trippers. The plan may assume increased passenger loads and provide additional scheduled frequency, as needed, to accommodate additional ridership growth. Events that could trigger the implementation of this plan could include ridership increases associated with a wide-spread vaccination, schools reopening for in-person classes, and reopening of major businesses, the hospitality sector, and activity centers.

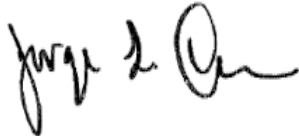
Communication and engagement will continue to play a key role in building confidence and trust as OCTA delivers critical public transportation services during and beyond the COVID-19 pandemic. OCTA has developed an aggressive customer information campaign that includes the latest changes to bus service, as well as all of the safety measures OCTA has implemented. Information regarding the February 2021 service change will be distributed two weeks prior to February 14, 2021. This will include brochures distributed on-board the buses and by mail, signage inside and outside of the buses, as well as at stops and transit centers. In addition, digital messaging via email, texting, social media, mobile apps, and OCTA’s website will be deployed to ensure sufficient level of awareness of the February service change.

***Summary***

The February 2021 bus service change will maintain the same schedules as were implemented in June and October 2020. Staff will continue to monitor ridership, deploy trippers as needed, and develop a contingency plan to implement additional service, if necessary, between February and June 2021. If the deployment of a contingency plan becomes necessary, staff will notify the Board of Directors prior to implementation.

***Attachment***

None.

**Prepared by:**

Jorge Duran  
Service Planning Analyst, Principal,  
(714) 560-5765

**Approved by:**

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



## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report and Proposed Program Revisions

### Transit Committee Meeting of January 14, 2021

**Present:** Directors Do, Jones, Shaw, and Sidhu  
**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 4-0 by the Members present.

### **Committee Recommendations**

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

### **Committee Discussion**

At the January 14, 2021 Transit Committee meeting, the Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions item was pulled from the consent calendar and a verbal report was requested. Staff provided an overview of the recommendations with a focus on the proposed changes to performance metrics for the Project V Program.

**Committee Discussion (Continued)**

With Board of Directors (Board) approval, the Project V Program's productivity measurements would move from a boarding per revenue vehicle hour metric to a total operating cost per boarding metric. The subsidy provided by the Orange County Transportation Authority (OCTA) would not increase beyond the escalation noted in the report, and operating costs beyond the OCTA subsidy would be the responsibility of the local agency. Operating costs exceeding specific levels would trigger public disclosure requirements and city council or Board of Supervisors actions. Staff also shared that the existing Project V cooperative agreements will expire within the next few years. The revised productivity measurements are intended to be in effect only for the remaining portion of the exiting grants for Project V services. Any future calls for projects would return to the Board for specific authorization.

Director Shaw expressed appreciation for the new metric that requires notification and action by the applicable agency. He also asked about the overall funding status of the program and whether the proposed changes could be accommodated based upon current revenue projections. Staff responded that the proposed changes can be accommodated within projected cash flows while still maintaining future financial capacity.

Transit Committee Chairman Do stated that the presentation addressed his concerns with the recommendations.



**January 14, 2021**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report and Proposed Program Revisions

### **Overview**

Measure M2 includes a program to fund Community-Based Transit Circulators known as Project V. The goal of the program is to provide local transit services designed to complement regional transit services. Funding is awarded to local agencies through a competitive call for projects and awarded services are then implemented by awarded local agencies. Ridership reports for each of the Project V-funded services are presented to the Board of Directors twice annually. This item provides the ridership report covering the fourth quarter of fiscal year 2019-20 (April - June 2020) and the first quarter of fiscal year 2020-2021 (July - September 2020). Due to the significant impacts that the coronavirus has had upon Project V services and recent audit recommendations, several revisions to the program are presented for review and approval.

### **Recommendations**

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

### **Background**

The Measure M2 (M2) Community-Based Transit Circulators Program (known as Project V) is a competitive grant program, which provides funding to develop and implement local transit services. Currently funded service types include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while also better meeting local needs in areas not adequately served by regional transit.

M2 Project V services are required to adhere to established minimum performance standards, which include achieving six boardings per revenue vehicle hour (B/RVH) by the end of the first year of service, maintaining six B/RVH and going up to ten B/RVH by the end of the second year of service, and then maintaining ten B/RVH for the remainder of the grant term. If services are not meeting standards, or are trending toward not meeting minimum standards, Orange County Transportation Authority (OCTA) staff will meet with the local agency and discuss adjustments, with an overall goal of attempting to improve ridership. However, under the current guidelines, M2 Project V funds are subject to cancellation if a service continues to perform below minimum performance standards. Revisions to these standards are proposed in this item in response to the coronavirus (COVID-19) pandemic. Additional changes are also proposed to both Project V and Project S (extensions to Metrolink) in response to recommendations provided through a recent internal audit of the Combined Transportation Funding Programs (CTFP).

Service performance is reported to the OCTA Board of Directors (Board) semi-annually, and the current reporting period includes ridership information covering the fourth quarter of fiscal year (FY) 2019-20 (April 1, 2020 through June 30, 2020) and the first quarter of FY 2020-21 (July 1, 2020 through September 30, 2020), which is summarized in this report.

### ***Discussion***

#### **Semi-Annual Ridership Report**

The COVID-19 pandemic, the State of California's stay-at-home order, and associated social distancing requirements pertaining to transit have had a significant impact upon Project V ridership and services. Only the three services listed below remained operational during this reporting period.

- Anaheim Canyon Circulator;
- Lake Forest Commuter Vanpool Service (Irvine Station and Ossur); and
- San Clemente Lyft Rideshare.

Specific productivity reporting and service notes for these services are provided in Attachment A. The other 23 Project V services identified in Attachment A were either suspended at the direction of the local agency or not initiated due to the pandemic and its associated impacts. In October 2020, OCTA met with local agency project managers to discuss these impacts and consider the future of the Project V Program. Key input from these discussions included the following:

- Most services will not be reinitiated until social distancing requirements are lifted;

- Project V ridership is largely discretionary, and as a result, Project V services may be unable to meet existing minimum ridership requirements post-pandemic and well into the future. However, Project V services add value to the communities they serve, and local agencies noted that they may want to continue to provide Project V services post-COVID-19. As such, they requested that OCTA consider alternative minimum performance standards; and
- Local agencies also noted that they anticipate the overall cost for the service could increase post-COVID-19 and requested that OCTA consider providing additional funding to remedy anticipated cost increases, especially to support more frequent and enhanced cleaning efforts.

#### Proposed Project V Program Revisions

Given this input, staff has developed proposed Project V program revisions for Board review and consideration. These proposed changes are focused on modifying the program's minimum performance requirements/service parameters to allow for re-establishment and providing annual escalation of funding within the programmed grant amount. Attachment B provides a more detailed overview of the proposed revisions.

The proposed revisions provide local agencies flexibility to reinstate and fund Project V services in a post-COVID-19 environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. The proposed changes also maintain the fundamental M2 requirement that Project V services be subject to performance measures.

These recommendations were presented to local agency project managers and OCTA's internal M2 Program Management Committee during fall 2020. While local agency project managers stated that they would like to receive as much additional funding as possible, and also eliminate performance measures entirely, both groups were generally supportive of the proposed revisions.

The revisions have also been evaluated from a programmatic funding perspective and they can be accommodated within the program's currently projected revenues and cash flow. Therefore, Board consideration and approval of these proposed program revisions and related cooperative agreement amendments is requested.



#### CTFP Audit - Findings/Recommendations

During this reporting period, OCTA's Internal Audit Department conducted an audit of oversight and reporting controls of the M2 CTFP. The audit included a finding that on-time performance and customer satisfaction requirements for the Project V Program were not included in agency cooperative agreements. Accordingly, staff is proposing to make adjustments to all appropriate Project V cooperative agreements to clarify that local agencies should carry out customer satisfaction surveys. These surveys should be conducted at least once a year, reported on to OCTA through regular billing processes, and should include a plan to improve service if customer satisfaction is found to be below acceptable standards. A similar change is also proposed for on-time performance. However, this requirement would be implemented, as applicable, given that not all Project V-funded services maintain fixed schedules. Attachment B also includes other changes that clarify other audit requirements.

#### Next Steps

If approved, these program changes will supersede the individual CTFP Guidelines that were in place for each of the individual calls for projects that guide how the funds are administered for each project. Further, staff will work with local agencies to implement these changes and initiate amendments to all applicable Project V cooperative agreements in order to formalize and facilitate these proposed changes. Staff will also return to the Board in July 2020 with the next Project V semi-annual report, which will include the standard Project V Ridership Report and an update on the effectiveness of the proposed changes herein, to the program.

#### ***Summary***

A status report on Project V services is provided for informational purposes. Approval of proposed Project V programmatic changes related to impacts from COVID-19 and a CTFP audit finding/recommendation are also requested. If these proposed changes are approved by the Board, authorization is also requested to initiate amendments to all applicable Project V cooperative agreements in order to implement the proposed changes identified in this report.

***Attachments***

- A.     Project V Services – Ridership Report
- B.     Proposed Project V Program Revisions

**Prepared by:**

A handwritten signature in black ink, appearing to read 'Alfonso Hernandez', with a stylized, cursive script.

Alfonso Hernandez  
Transportation Funding Analyst, Senior  
(714) 560-5363

**Approved by:**

A handwritten signature in black ink, appearing to read 'Kia Mortazavi', with a stylized, cursive script.

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

## Project V Services - Ridership Report

Reporting Period: Q4 of FY 2019-20 and Q1 of FY 2020-21

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) <sup>1</sup>	Notes
Anaheim	Anaheim Canyon Circulator	\$ 1,141,864	Commuter Feeder Service	July 2020	3	The service did not meet the minimum performance standard. However, it is still in its initial startup period and has 12 months to meet the minimum performance standard of six B/RVH. A letter has been sent to City of Anaheim advising them of this finding.
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Expansion	\$ 905,968	Seasonal Service	June 2017	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Continuity	\$ 1,745,065	Seasonal Service	September 2019	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Continuity (2020 Call for Projects)	\$ 2,209,739	Seasonal Service	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Huntington Beach	Huntington Beach Special Events	\$ 93,287	Special Event	July 2014	N/A	The service did not operate during the reporting period.
Huntington Beach	HB Southeast Rideshare Pilot Program (2020 Call for Projects)	\$ 806,240	Shared-Ride Hailing Service	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Irvine	Irvine iShuttle Route E - Irvine Station - East	\$ 2,705,984	Commuter Service	February 2019	N/A	The service did not operate during the reporting period.
Irvine	Irvine iShuttle Route F - Tustin Station - Irvine Business Complex	\$ 2,712,258	Commuter Service	February 2019	N/A	The service did not operate during the reporting period.
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	N/A	The service did not operate during the reporting period.
La Habra	Community Special Event Service	\$ 66,234	Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Laguna Beach	Off-Season Weekend Trolley Service	\$ 3,612,360	Special Event	March 2015	N/A	This service's grant term expired on June 30, 2020. However, it was extended through a new 2020 Project V call for projects grant award (see below).
Laguna Beach	Off-Season Weekend Trolley Service (2020 Call for Projects)	\$ 3,850,000	Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Service	June 2018	N/A	The service did not operate during the reporting period.
Laguna Niguel	Laguna Niguel Summer Trolley - Southern Section	\$ 886,082	Seasonal Service	TBD	N/A	The service was awarded funds in 2019. However, it was not initiated and its current start date is TBD.
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Commuter Service	July 2015	6	The service did not meet its minimum performance standard. However, its grant term expired on June 30, 2020 and the service is no longer operating.

## Project V Services - Ridership Report

Reporting Period: Q4 of FY 2019-20 and Q1 of FY 2020-21

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) <sup>1</sup>	Notes
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Commuter Service	June 2017	N/A	The City of Lake Forest cancelled this service in April 2020 due to low ridership.
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	N/A	The service did not operate during the reporting period.
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	N/A	The service did not operate during the reporting period.
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Service	August 2018	N/A	The service did not operate during the reporting period.
Orange County	Local Circulator and Special Event Service (OC RanchRide)	\$ 2,041,547	Local Circulator and Special Event	June 2017	N/A	The service did not operate during the reporting period.
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	N/A	The service did not operate during the reporting period.
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	N/A	The service did not operate during the reporting period.
San Clemente	Downtown Route (2020 Call for Projects)	\$ 969,536	Seasonal and Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	N/A	The service did not operate during the reporting period.

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Hour of Service (B/HOS) <sup>1</sup>	Notes
San Clemente	On-Demand	\$ 914,400	Ride Hailing	October 2016	9	Service only offered single rides during the reporting period due to the coronavirus (ridesharing option disabled).

1. Rounded to the next whole number.

N/A - No service hours during reporting period (service was either seasonal and/or impact by the coronavirus).

### ACRONYMS

Q4 - Quarter 4 (April - June 2020)

Q1 - Quarter 1 (July - September 2020)

FY - Fiscal year

TBD - To be determined

N/A - Not applicable

**NOTE: Services below the minimum performance standard are shaded**

### Minimum Performance Standards for B/RVH

- Six passenger B/RVH by end of year one (12 months from the first day of operating the service).
- Maintain six B/RVH and meet or exceed ten B/RVH by end of year two.
- Ten B/RVH must then be maintained every year thereafter.

### Minimum Performance Standards for B/HOS

- Staff will continue to monitor and measure service performance and assess appropriate next steps for this program which will include evaluation of all project related efforts and existing policies in order to determine how best to support and administer this emerging transit delivery model.

## Proposed Project V Program Revisions

### Recommended Changes to Project V Performance Requirement

Changes to the Project V performance requirement as described below are recommended to help manage the reduced ridership that is resulting from social distancing and stay-at-home requirements related to the coronavirus.

- Existing Project V Minimum Performance Requirement:
  - Year 1 - Meet or exceed six boardings per revenue vehicle hour (B/RVH) by the end of the first year of service.
  - Year 2 - Maintain six B/RVH and meet or exceed ten B/RVH by the end of the second year of service.
  - Year 3 - Maintain ten B/RVH each reporting period thereafter through the life of the grant.
- Existing Action for not Meeting Minimum Performance Standards:
  - After Year 1, services that perform below the minimum performance standards (above) for two or more reporting periods will be evaluated for cancellation.
- Proposed Project V Minimum Performance Requirement:
  - Change the Project V minimum performance requirement from the current B/RVH metrics (listed above) to a maximum cost per boarding metric established by the Orange County Transportation Authority (OCTA). Based upon evaluation of existing and similar services, this amount should be set at twice the current \$9 per boarding subsidy (i.e., \$18 per boarding). However, when this amount is escalated consistent with other actions identified in this item, it will result in a maximum cost per boarding for fiscal year (FY) 2020-21 of \$20.10, and will continue escalating at conservative 1.85 percent inflation rate<sup>1</sup> each FY thereafter.

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<sup>1</sup> The 1.85 percent escalation rate is based upon input and assumptions from the Comprehensive Business Plan, The Chapman University forecast, input from the OCTA Finance Department, and Project V cash flow needs.

## Proposed Project V Program Revisions

- Proposed Action for not Meeting the New Minimum Performance Standard:
  - Require that the city council (or the Board of Supervisors {BOS}), since they will be responsible for bearing the cost of the service beyond OCTA's maximum per boarding subsidy, either:
    - Reaffirm support for the service through a city council/BOS action,
    - Discontinue the service, or
    - Implement potential service changes or cost saving measures.

### Recommended Escalation for Project V Per Boarding Subsidy:

Project V Guidelines allow for the escalation of the Project V subsidy per boarding. However, the only escalation that has been provided to date occurred during the 2016 call for projects. At the time, the per boarding subsidy was increased from \$8 per boarding to \$9 per boarding. Staff is proposing to increase the maximum per boarding subsidy to help local agencies meet increased service costs.

- Existing Project V Maximum Subsidy per Boarding:
  - \$9.00 per boarding.
- Proposed Project V Maximum Subsidy per Boarding:
  - Escalate the current \$9.00 subsidy per boarding starting from FY 2016-17 (the year it was established) through FY 2019-20 based upon published Consumer Price Index data for the Los Angeles-Anaheim-Long Beach area, and in FY 2020-21 escalate based upon a conservative 1.85 percent inflation rate<sup>1</sup>. This will result in the FY 2020-21 Project V subsidy per boarding being escalated to \$10.05 and increasing at a 1.85 percent rate each FY thereafter.

### Recommended Escalation for Project V Annual Funding Cap:

In order to support cost increases over time, an annual escalation to the Project V funding cap is proposed, starting in FY 2021-22.

- Existing Project V Annual Funding Cap:
  - Local agencies may be awarded, from all eligible project categories, and are provided an annual cap based on the amounts listed in the original application, which is no more than \$550,000 annually.

## Proposed Project V Program Revisions

- Proposed Project V Annual Funding Cap:

Escalate the program's \$550,000 annual funding cap and each project's annual funding cap by 1.85 percent<sup>1</sup> annually starting in FY 2021-22, when applicable. This change will not adjust the total programmed amount previously approved by the Board of Directors.

### Recommended Change for Project V Customer Satisfaction Survey Requirement:

A recent audit of the Measure M2 (M2) Competitive Transportation Funding Programs (CTFP) noted inconsistencies between the Project V Guidelines and related project agreements. In particular, the audit noted that customer satisfaction requirements for the Project V Program are not included in agency cooperative agreements. The reason for this is that the type of projects that were ultimately funded did not necessarily lend themselves to this type of measurement. Staff is proposing changes to make this an optional measurement rather than a requirement in the CTFP Guidelines by changing the language from "must" to "should" as noted below:

As part of the Project V service, local agencies ~~must~~ **should** develop strategies **surveys** to measure ridership satisfaction ~~and on-time performance and must achieve an 85 percent on-time performance on an ongoing basis, and rider satisfaction must be 90 percent satisfied based on customer surveys~~ **based upon local service objectives. These surveys should be conducted at least once a year; reported on to OCTA through regular billing processes; and should include a plan to improve service, if customer satisfaction is found to be below the local agencies' service objectives.**

### Recommended Change for Project V On-Time Performance Requirement:

The audit also noted lack of a requirement for reporting of on-time performance. This is because the majority of the community circulator services do not maintain a published schedule. Instead, the services publish the span of service and the bus arrival intervals. In response, staff is proposing changes to the CTFP Guidelines to make this a recommendation and not a requirement by changing the language from "must" to "should when applicable", as noted below:

As part of the Project V service, local agencies, ~~must~~ **should, if applicable**, develop strategies **methods** to measure ridership satisfaction ~~and on-time performance and must achieve an 85 percent on-time performance on an ongoing basis, and rider satisfaction must be 90 percent satisfied based on customer surveys~~ **based upon local service objectives. These methods should be implemented at least once a year; reported on to OCTA through regular billing processes; and should include a plan to improve service if on-time performance is found to be below the local agencies' service objectives.**

## Proposed Project V Program Revisions

### Recommended Change for the CTFP Guidelines - Annual Audit Requirement:

The internal auditor also provided a verbal recommendation that staff clarify an M2 transit program requirement (applicable to Project S – Transit Extensions to Metrolink and Project V), that local agencies submit audited operations and maintenance (O&M) cost data each year.

Local agencies provide O&M cost information each year; however, there was a lack of clarity on what was meant by “audited” O&M costs. It is impractical to request local agencies to audit this information and submit it by September 30 each year. It is also unnecessary as they submit a significant amount of back up material when they submit requests for reimbursement, which are verified by staff, consistent with standard project management practices, prior to issuing reimbursement.

Further, the audit requirement language attached to O&M funding (provided through M2 Project S and Project V) did not identify the type or intent of the audit that is required. Therefore, staff is recommending that this requirement (identified below) be eliminated from the Project S and Project V transit programs as a specific requirement, given that it is redundant with other statements in the CTFP Guidelines, which state that all projects funded through the CTFP are subject to audit by OCTA’s Internal Auditor and staff’s current project management practices with respect to issuing reimbursements.

~~Awarded agencies must submit audited operations and maintenance costs and ridership and fare performance data to OCTA by September 30 of each year for the prior fiscal year.~~





## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board

**Subject:** OC Streetcar Project Quarterly Update

Transit Committee Meeting of January 14, 2021

**Present:** Directors Do, Jones, Shaw, and Sidhu

**Absent:** None

### **Committee Vote**

Following the discussion, no action was taken on this receive and file information item.

### **Staff Recommendation**

Receive and file as an information item.



**January 14, 2021**

**To:** Transit Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** OC Streetcar Project Quarterly Update

### **Overview**

The Orange County Transportation Authority is implementing the OC Streetcar project, and updates are provided to the Board of Directors on a quarterly basis. This report provides an update on OC Streetcar project activities from September 2020 through December 2020.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Santa Ana and Garden Grove, is implementing a modern streetcar running between the Santa Ana Regional Transportation Center in the City of Santa Ana (City) and the intersection of Harbor Boulevard and Westminster Avenue in the City of Garden Grove. The OC Streetcar project (Project) will improve transit connectivity and accessibility, increase transit options, relieve congestion, and provide benefits to the community and traveling public. The Project is being implemented as part of Measure M2 Project S – Transit Extensions to Metrolink, approved by Orange County voters in November 2006.

Construction of the 4.15-mile Project line involves complex and specialized work, including the installation of embedded track in existing streets, an overhead contact system (OCS) to supply power to the vehicles, stops with canopies, bridges, and a maintenance and storage facility (MSF).

The Project includes ten streetcar stops in each direction (four shared center platforms and six side platforms in each direction, for a total of 16 platforms). Each stop includes a canopy, benches, leaning rails, trash cans, lighting,

changeable message signs, video cameras, a public address system, and ticket vending machines, which will be procured separately. Platforms will be 14 inches high to enable level boarding to streetcar vehicles. Also included is the installation of new traffic signals and transit signal priority at intersections along the route.

The MSF can accommodate up to 15 modern streetcar vehicles, as well as all necessary administration, operations, vehicle maintenance, parts storage, and maintenance-of-way needs for the Project. Secured exterior vehicle storage, including a wye track for turning vehicles end-for-end, a free-standing vehicle wash, employee parking, and fire department/delivery access will also be included.

On March 26, 2018, the Board of Directors (Board) awarded a contract to Siemens Mobility, Inc., (Siemens) for the manufacture and delivery of eight modern streetcar vehicles, spare parts, and special tools. On September 24, 2018, the Board awarded the Project construction contract to Walsh Construction Company II, LLC (Walsh). On November 30, 2018, the Federal Transit Administration (FTA) executed the Full Funding Grant Agreement (FFGA), securing \$149,000,000, in federal New Starts discretionary funding for the Project. In February 2019, the FFGA was funded through the FTA Transit Award Management System, which was the final step necessary to begin the drawdown of federal funding. Through November 2020, \$53,451,461, has been drawn down on the FFGA.

### ***Discussion***

The following is the status of ongoing project activities related to construction, vehicle manufacturing, and public outreach.

#### **Construction**

Several significant milestones were completed in the Pacific Electric Right-of-Way (PEROW), including the two bridges on the Project as follows:

- Falsework was removed which supported the cast-in-place Westminster Avenue Bridge, and for the Santa Ana River Bridge pier caps.
- Retaining walls supporting approaches to the bridges were completed and soundwalls constructed.
- Drainage improvements were completed.
- Installation of OCS pole foundations and communication duct banks commenced.
- Sticks of rail were delivered to the PEROW and welded into strings.
- Installation of underground conduits and foundations began for the Fairview Street stop.

Construction of the MSF is critical to the Project schedule, as it is needed to accept delivery and conduct final acceptance testing for the eight vehicles being manufactured by Siemens. On September 16, 2020, Native American cultural resources were discovered during excavation for the MSF wheel truing pit. A Data Recovery Plan was submitted and approved by the State Historic Preservation Officer on November 3, 2020, and data recovery was completed on December 9, 2020. During this time, construction was restricted within a 50-foot radius of the discovery. On December 9, 2020, the site was released back to Walsh to resume work. The cost and schedule impacts associated with this discovery are being evaluated. Work was able to continue on the west half of the MSF building to prepare the foundation and slab for the car wash, and the new utility services to the facility. Staff will be seeking Board approval of a construction change order to compensate Walsh for changes to the MSF plans associated with required building permit design compliance requirements in the first quarter of 2021. Several equipment components associated with the communications system in the original design have been phased out by manufacturers and replaced with newer models. A contract change order to compensate Walsh for these end-of-life equipment changes will be brought to the Board for approval in late January 2021.

All wet utility (sewer, water, and storm drains) relocation and installation in the city streets are complete. There are a few remaining third-party utility relocations that are not impeding streetcar construction. OCS, traffic signal, and streetlight foundations are being installed throughout the alignment. Staff will be seeking Board approval of a supplemental construction change order to compensate Walsh for additional OCS and signal pole foundation conflicts with unknown and abandoned utilities in late January 2021.

Construction of westbound embedded track on Santa Ana Boulevard between Raitt Street and Bristol Street began in August 2020. The first concrete for embedded track was placed on Santa Ana Boulevard across Bristol Street in December 2020, and concrete placement will proceed west towards Raitt Street in 300-foot segments. Walsh encountered thicker than anticipated asphalt pavement, buried obstructions, railroad ties from the former Pacific Electric Railway, areas of contaminated soil, and unsuitable subgrade conditions which required remediation. Board approval will be sought for a change order to compensate Walsh for the additional cost to remove thicker than anticipated pavement in late January 2021. The cost and impacts of the remediation for the remaining unanticipated conditions are being assessed and change orders will be brought to the Board for approval as needed. Work also began on the embedded track installation on Santa Ana Boulevard between Parton Street and Mortimer Street. After embedded track is complete in these two segments, Walsh will begin installing embedded track on Fourth Street.

### Vehicle Manufacturing and Delivery

Siemens continues the production of the eight S700 streetcar vehicles in Sacramento, California. OCTA has an on-site resident inspector at the facility to oversee the vehicle manufacturing process and ensure compliance with the technical specifications. The first four of the eight vehicles are near completion, with the cars having been assembled, the interior of the seats equipped, and installation completed of the truck assemblies, flooring, doors, and electrical systems. There are three outstanding vehicle components that remain in final design review and have not yet been approved, which include the energy absorbing bumper, emergency battery drive, and flange lube system. These items are anticipated to be closed out next quarter. These first four vehicles have also completed water testing to verify that the vehicle's electric components are completely sealed to prevent damage from unintended water intrusion and hi-pot electrical testing, to ensure that the vehicle wiring is sized properly for the intended use, and that the wires are properly connected. The four vehicles are currently undergoing static and dynamic testing to verify component and system functionality.

The remaining four vehicles are in various stages of production, including interior equipping, final assembly, and sub-floor installation.

During the reporting period, first article inspections (FAI) were conducted for the vehicle doors and the four-person flip seats that are unique to the OC Streetcar system. This is the only S700 vehicle that Siemens produces that allows for all four seats to flip up to accommodate bicycles, strollers, and larger mobility devices. FAIs are a contract requirement and a critical component of the manufacturing process to ensure that each component of the vehicle is built according to specifications and quality control measures have been met.

Coordination is ongoing between Conduent Transportation, OCTA, and Siemens in the design of the computer-aided dispatch and automated-vehicle location system as well as the communications equipment on the vehicles. Coordination also continued with Siemens on the vehicle delivery schedule anticipated to occur mid-2021.

On May 22, 2020, the OCTA Board approved the award of the operations and maintenance contract to Herzog Transit Services (Herzog). During the quarter, staff coordinated with Herzog on timing for the execution of the contract and preparing for issuance of the Notice to Proceed anticipated for early 2021.

## Public Outreach

Coronavirus protocols continued throughout this reporting period, where in-person events were cancelled, and outreach staff continued to rely on electronic and phone notifications for the most of its efforts. Exceptions include notices delivered to residents in Segment 2 along Santa Ana Boulevard between Raitt Street and Bristol Street. A series of bilingual fliers were delivered as work progressed along this segment to remind residents of parking restrictions and alternatives, such as the shuttle service provided by the contractor.

In preparation for the week-long intersection closure at Bristol Street and Santa Ana Boulevard, bilingual fliers were distributed to residents near the work area. The flier included the description of the activities planned as well as notification of night work. In addition to the fliers, social media posts, and an email to the Project database were distributed. Notices and a closed-circuit television slide were provided to staff from the City, and the City distributed notifications through its networks. In addition, a press release was distributed by the City.

As the track installation activities expand into additional segments, another bilingual virtual community meeting was held on December 17, 2020. Notifications were distributed through the Project's database and social media channels, as well as the City's distribution network. In addition, press releases by OCTA and the City included details of the virtual meeting. The platform for the meeting was moved to Zoom to provide a call-in number to increase participation ease and reach for stakeholders. A bilingual fact sheet describing the sequence of track installation activities was developed and is available on the Project website. It will also be distributed to business owners and residents along the alignment as the track activities progress close to the locations.

OCTA supported the City's installation of parklets and standalone dining platforms in Downtown Santa Ana by reviewing the City's proposed locations and providing recommendations to avoid conflicts with future construction activities planned for the next quarter.

OCTA's Eat Shop Play program has expanded to 47 participants, exceeding the goal of 40 businesses. Biweekly newsletters continue to feature businesses and include information about local community events.

Both business associations continued to identify projects and programs to expand marketing efforts to develop and implement events to bring visitors safely into Downtown Santa Ana. In addition, modest investments have been made in additional signage and banners to create interest and excitement for visitors. Technical assistance is also being provided to business owners interested in

virtual networking and having an increased web presence to accommodate on-line purchasing opportunities.

#### Cost and Schedule

The Project cost as specified in the FFGA is \$407,800,000, which includes \$37,960,000 in contingency. As of November 2020, approximately \$24,900,000 in contingency has been expended or committed. While Project construction is 38 percent complete (as of November 2020), a significant number of challenges have been experienced in the initial stages of construction. Some examples of construction challenges include:

##### *Unforeseen Utility Conflicts*

The number and nature of utility conflicts encountered during the relocation of wet utilities was higher and more complex than anticipated, as many were unmapped and/or abandoned utility lines within City streets. Many of these locations required extensive redesign work and additional construction. Additionally, more labor-intensive hand-digging of OCS, traffic signal, and streetlight pole foundations has been undertaken to minimize the risks associated with striking an unknown utility with heavy equipment.

##### *Contaminated Materials in the PEROW, City Streets, and MSF*

An extensive amount of contaminated and hazardous soil was encountered during excavations on the PEROW, City streets, and MSF. The contaminated materials also include many buried wooden railroad ties from the Pacific Electric Railway. This level of contamination and the subsequent requirements for removal and disposal was unanticipated based on the results of testing conducted during final design.

##### *Additional Unforeseen Conditions*

Walsh has encountered additional unforeseen conditions during the performance of the work, including thicker sections of existing pavement and unsuitable subgrade conditions on City streets, as well as an abandoned well, underground storage tank, and discovery of cultural resources at the MSF.

##### *Construction Quality Control and Compliance*

Contractor difficulties complying with construction quality requirements and quality control plans have resulted in construction delays, contractor re-work, and more extensive oversight and acceptance monitoring being performed by OCTA.

### *Oversight and Approvals from Multiple Agencies and Third Parties*

An extensive number of Requests for Information are being submitted by Walsh. Each require review from specialized design disciplines, as well oversight and approval from multiple agencies and third parties.

### *Change Requests*

An extensive number of Request for Changes have been also submitted by Walsh to address the unforeseen conditions and material substitutions, and several change notices have been issued to address design modifications and requests made by third parties.

These challenges have resulted in a higher than anticipated number of construction change orders, as well as additional staff resources required of OCTA to manage. As a result, the Project contingency has been drawn down faster than originally forecast for this stage of completion.

Based on changes and contractor progress through the quarter, the schedule for targeted revenue service has been extended to October 2022.

The Project schedule and cost to complete is under review by OCTA and FTA considering the challenges experienced and outstanding project risks. Staff will return to the Board in February 2021 to present the results of the most recent comprehensive risk analysis, as well as recommendations for cost and schedule adjustments needed to complete the Project.

### *Next Steps*

Construction activities in the next quarter will focus on completing the floor slabs in the MSF building, installation of embedded track in the street and ballasted track in the PEROW, installing OCS poles, delivering the traction power substations, and constructing station stop platforms. Next steps for vehicles include finalizing design for remaining vehicle components, additional first article inspections, and continued production and assembly. Upcoming outreach activities include ongoing coordination with the construction team and the City regarding traffic control measures that are needed for the in-street embedded track installation, particularly along Fourth Street where businesses are more prevalent.



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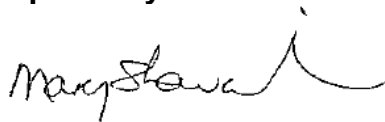
**Summary**

An OC Streetcar project update covering September 2020 through December 2020 is provided for the Orange County Transportation Authority Board of Directors' review.

**Attachment**

None.

**Prepared by:**



Mary Shavalier  
Program Manager  
(714) 560-5856

**Approved by:**



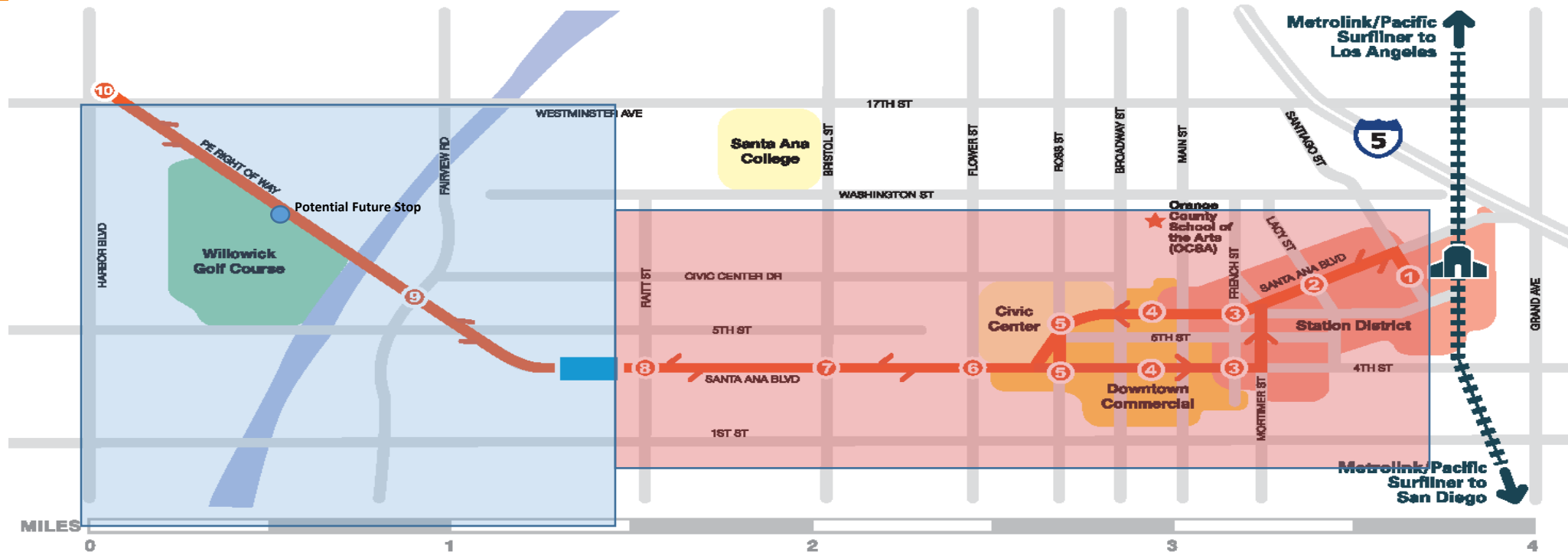
James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646

# **OC Streetcar Project Quarterly Update**

# Agenda

1. Project Alignment Features
2. Status of Construction
3. Upcoming Construction Milestones
4. Project Challenges
5. Status of Vehicle Production
6. Outreach

# OC Streetcar Features



## Pacific Electric Right-of-Way (PEROW)

- Dedicated right-of-way owned by the Orange County Transportation Authority (OCTA)
- Double-Track, Ties, and Ballast
- Two Bridges: Westminster Avenue and Santa Ana River
- Two Gated Crossings: Fairview Street and 5<sup>th</sup> Street
- Maintenance facility for eight cars west of Raitt Street
- Center Platforms
- Two-Wire Overhead Catenary System (OCS)

## STREET RUNNING

- Traffic Signal Priority
- One-Way Couplet Downtown
  - 4<sup>th</sup> Street Eastbound, Santa Ana Boulevard Westbound
- Embedded Track (Block Rail)
- Side Platforms (except Santa Ana Regional Transportation Center)
- Protected bike lane on Santa Ana Boulevard
- One-Wire OCS with underground feeder

# Construction—Segment 1



- PEROW

- Sticks of rail delivered and are welded into strings.
- Drainage improvements completed.
- Installation of OCS pole foundations and communication duct banks.
- Construction of Fairview station platform.

# Westminster Bridge



- Falsework was stripped from the cast-in-place Westminster Avenue Bridge.
- Retaining walls supporting the bridge were completed.
- Median is being reconstructed.



# Santa Ana River Bridge



- Falsework for the Santa Ana River Bridge pier caps was removed.
- Retaining walls supporting approaches to the bridge were completed and soundwalls were constructed.

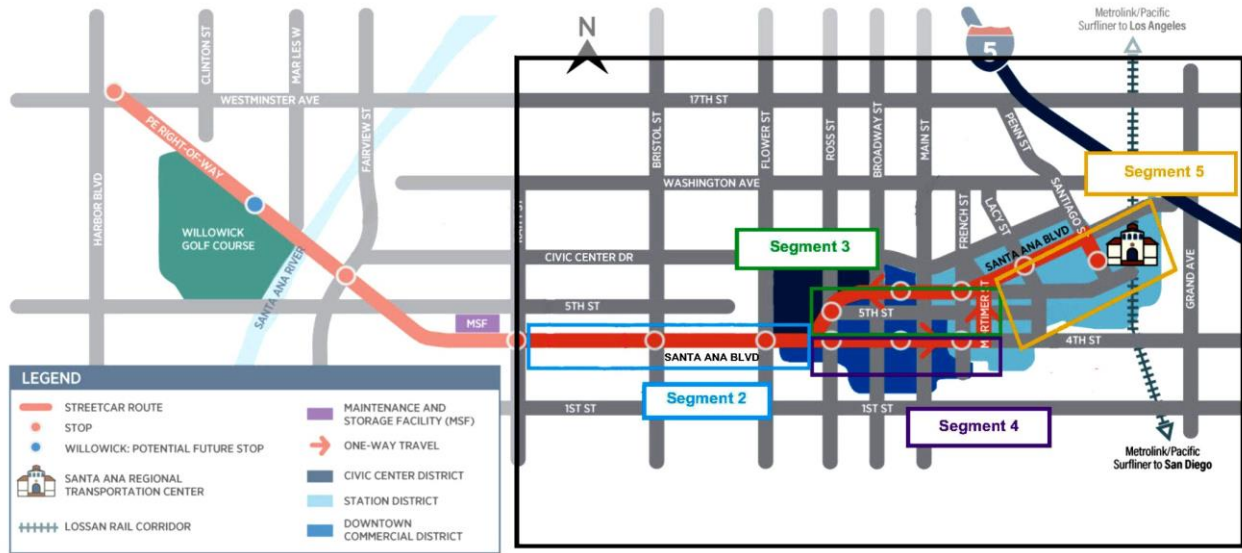
# Maintenance and Storage Facility (MSF)



- Wheel truing pit area was released back to the contractor after archeological work was completed to confirm there are no additional cultural resources.
- Work continued on the west half of the MSF building floor slabs, and on the car wash foundation and slab, and new utility services to the facility.



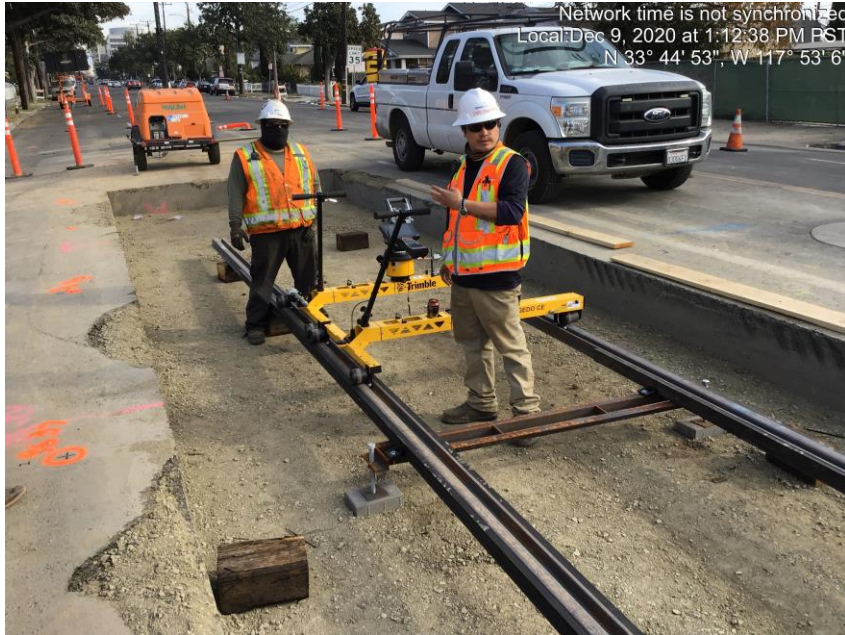
# Construction—Segments 2 Through 5



- Wet utility relocation and installation is complete.
- Installation of OCS, traffic signal, and streetlight pole foundations is ongoing.
- Contractor encountered and remediated railroad ties from the former Pacific Electric Railway, contaminated soil, and unsuitable subgrade conditions on Santa Ana Boulevard between Raitt Street and Bristol Street.
- Embedded track was installed across Bristol Street in December 2020 and track installation is proceeding west towards Raitt Street in 300-foot segments.
- Embedded track excavation work proceeded on Santa Ana Boulevard between Parton Street and Mortimer Street.



# Track Installation at Bristol Intersection



# Upcoming Construction Milestones

- Continued installation of:
  - In-street embedded track and PEROW ballasted track
  - OCS and traffic signal pole foundations
- Continued construction of MSF slabs and walls
- Construction of station stop platforms
- Delivery of traction power sub-stations

# Project Challenges

- Higher than anticipated number of unforeseen conditions encountered by construction contractor are resulting in numerous change orders
  - Unknown utilities in city streets
    - Unmapped and/or abandoned utilities
    - Hand-excavating locations of pole foundations to minimize risks
  - Contaminated soils and materials
    - PEROW, City of Santa Ana streets, and at MSF
    - Not identified during design phase testing
  - Other unknown conditions
    - Areas of thicker pavement and unsuitable subgrade in city streets
    - Abandoned well, underground storage tank, and cultural resource discovery at the MSF

# Project Challenges

- Work effort and approach have resulted in additional challenges to OCTA management and workflow
  - Quality
    - Quality control effort and compliance with quality requirements is requiring more extensive OCTA oversight for acceptance, and in some cases rework.
  - Request For Information (RFI)
    - Extensive number of RFIs submitted by Walsh including suggestions, confirmation requests, questions, and to document potential changes, regardless of size and rather than addressing changes in the field.
    - Often require multi-disciplinary reviews and responses, and/or approval from third parties.

# Project Challenges

- Higher than anticipated number of contract change orders and additional resources required from OCTA
  - Results in project contingency drawdown faster than originally forecast at this stage of completion
  - To address the declining contingency, an updated comprehensive risk analysis was conducted
    - Cost to complete
    - Schedule for completion
    - Contingency levels necessary to address outstanding risks
- Currently under review by the Federal Transit Administration and their consultant team.
- Recommendations to be presented to Board of Directors for consideration in February 2021.



# Vehicles

- The first four of the eight S-700 Streetcar vehicles are near completion in that the cars have been assembled, trucks assemblies installed, interior equipping of the seats, flooring, doors and electrical systems. The four vehicles are currently undergoing static and dynamic testing to verify component and system functionality.
- The remaining four vehicles, cars five to eight, are in various stages of production, including interior equipping, final assembly, and sub-floor installation.
- Final design review of remaining vehicle components, including the energy absorbing bumper, emergency battery drive, and flange lube system.
- Ongoing coordination with Conduent and Siemens Mobility, Inc., on computer-aided dispatch and automated vehicle location design specifications.





# Vehicles





# Outreach

- Santa Ana Business Associations
- Rail Pull Milestone
- Virtual Open House
- Eat Shop Play

WEEKLY DIGITAL PROGRAM LINE UP

MONTHLY PROGRAMMING  
LAST SATURDAYS

**SATURDAY FOR KIDS**  
LIVE 9:30AM PDT

**SATURDAYS FOR KIDS JOCYLYN & BRIANA**  
APRIL-OCT Saturday For Kids Showcase  
<https://www.facebook.com/thesciencej/video/528178004519416>

SCIENCE SATURDAY FOR KIDS STARTING SOON!

SANTA ANA BUSINESS COUNCIL

**THE HOT HOUR**  
with Maria @thehothourla

**HIGHLIGHTS FROM 2ND QUARTER**

Our new show follows Maria "The Hot" Tortilla as she explores downtown gems, interviews business owners and artists and exposes the spicy flavor that makes DTSA the "Tajin of Orange County."

**The Hot Hour Show**

Maria's show is an incredible romp through downtown style, food and community.

**How does The Hot Hour content help downtown businesses?**

Businesses are featured on the event including Loose Leaf Boba, Slushcult, Frida Cinema, El Indio Botanas y Cervezas and Native Harvest Farmers Market, La Michoacana Express, Elite Fitness Gym Downtown, Ninos Bridal Couture, Santos Pizza, The Blue Lot and 45M. The content is engaging with our online audience and tempers our commercial voice with cool, community content. In addition, we promote take-out/dining options while you enjoy the show.

**EAT SHOP PLAY**  
DOWNTOWN SANTA ANA

OCTA's Eat Shop Play (ESP) program supports local businesses located along the future OC Streetcar route. Benefits to businesses include social media ads, e-newsletter features, web profiles and more. Participation is free. Businesses located along the future OC streetcar route are eligible to sign up for marketing assistance at [octa.net/OCStreetcar](http://octa.net/OCStreetcar).

March - Mid December 2020

103 Social Media Posts in English and Spanish  
Facebook: 36 Instagram: 34 Twitter: 33

87 Social Media Ads in English and Spanish  
Facebook: 65 Instagram: 42

47 Walking Map Listings

Total Reach: 1,880,962

1 Feature Video

✓ Door-to-door outreach  
✓ Outreach calls  
✓ Newsletters  
✓ Website Invitations led to 48 Participating Businesses

16 Bi-weekly ESP E-newsletters with 148 Business Features were included to:  
✓ Business Spotlights  
✓ Takeout Tuesday  
✓ Dining Options

18 ESP Program Features in the OC Streetcar Construction Newsletter

19 Community Corner Features promoting what is happening in the community

Bus Ads coming 2021

## Virtual Community Open House OC STREETCAR CONSTRUCTION UPDATES

December 17,  
5:30 - 6:30 p.m.

**CLICK HERE  
TO JOIN THE  
MEETING**

OR CALL 1-669-900-6833  
TO ACCESS THE MEETING

Please visit <https://bit.ly/39fAYID> at 5:30 p.m. on December 17 to join the virtual open house. The virtual open house will be held in both English and Spanish.

Call 1-669-900-6833 (Meeting ID: 823 6402 2263#) if you prefer to join the meeting by phone.



## OC Streetcar Track Installation Has Started!

**Click to watch the video premiere  
of this exciting milestone**



Join the OCTA Board of Directors, the City of Santa Ana and the project's community partners in celebrating this major OC Streetcar project milestone.





## COMMITTEE TRANSMITTAL

**January 25, 2021**

**To:** Members of the Board of Directors

**From:** Andrea West, Interim Clerk of the Board *Andrea West*

**Subject:** Contract Change Orders for the Construction of the OC Streetcar Project

### Transit Committee Meeting of January 14, 2021

**Present:** Directors Do, Jones, Shaw, and Sidhu  
**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 4-0 by the Members present.

### **Committee Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 43 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$372,136, for the acquisition of updated communications equipment.
- B. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 48 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,177,362, for removal of thicker asphalt concrete pavement from City of Santa Ana streets.
- C. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 16.2 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,400,000, for additional hand digging of overhead contact system, traffic signal, and streetlight pole foundations.



**January 14, 2021**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Contract Change Orders for the Construction of the OC Streetcar Project

### **Overview**

On September 24, 2018, the Orange County Transportation Authority Board of Directors authorized Agreement No. C-7-1904 with Walsh Construction Company II, LLC, for construction of the OC Streetcar project. Contract change orders are required for acquisition of updated communication equipment, removal of thicker asphalt concrete pavement due to differing site conditions in City of Santa Ana streets, and continued hand digging of pole foundations.

### **Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 43 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$372,136, for the acquisition of updated communications equipment.
- B. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 48 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,177,362, for removal of thicker asphalt concrete pavement from City of Santa Ana streets.
- C. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 16.2 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,400,000, for additional hand digging of overhead contact system, traffic signal, and streetlight pole foundations.

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***Discussion***

On September 24, 2018, the Orange County Transportation Authority (OCTA) Board of Directors (Board) awarded a contract to Walsh Construction Company II, LLC, (Walsh) to construct the OC Streetcar project (Project). The Notice to Proceed with construction was issued to Walsh on March 4, 2019.

**Replacement of Communications Equipment**

Since the construction bid was advertised in December 2017, several equipment components associated with the communications system have been phased out by manufacturers and replaced with newer models. The electronic and microprocessor-based components continue to evolve with newer models which have improved capabilities, including enhanced reliability and security provisions. The older models are either no longer available or are not supported by the manufacturers through technical support, updates for hardware and software, or warranties.

The specific equipment included in the contract that has been replaced by newer models include:

- Passenger information system server
- Public address system audio controller, audio amplifier, and ambient noise sensor
- Variable message signs
- Video cameras
- Digital video recorder
- Communications wireless network regulator

The additional cost of the newer equipment has been determined by the construction management (CM) team to be \$372,136. This cost is the difference between the contract values and the newer models. Walsh does not agree with the contract change order (CCO) amount and may pursue additional costs at a later time; however, it is prudent to proceed with this CCO to lock in current equipment pricing.

**Thicker Asphalt Concrete Pavement**

Since the start of the utilities work within the City of Santa Ana (City) streets, the contractor has encountered thicker asphalt concrete (AC) pavement sections than indicated in the contract drawings. The pavement thicknesses that have been encountered are upward of 24 inches compared to the pavement thickness

of ten to 13 inches shown on the contract drawings, which were based upon the City street as-built plans. As-built plans do not always reflect the actual site conditions for depth of AC or other pavements.

There is approximately 8,900 cubic yards of AC pavement that needs to be removed from the City streets in addition to what was originally estimated in the contract. The work associated with removal of the thicker pavement involves additional costs for pavement saw cutting and excavation, as well as transportation and disposal.

The cost of the work has been determined by the CM team to be \$1,177,362. Walsh does not agree with the CCO amount and may pursue additional costs at a later time; however, it is prudent to proceed with this CCO to allow the Project to advance without further delay.

#### **Hand Digging of Overhead Contact System, Traffic Signal, and Streetlight Pole Foundations**

For nearly a year, the contractor has been installing pole foundations that will support the overhead contact system (OCS), traffic signal, and streetlight poles.

The contract with Walsh requires OCS pole foundations that were identified as being within the vicinity of known utilities to be hand dug to prevent damage to utility lines, with the remaining foundations installed by drilling. As Walsh proceeded with drilling foundation holes not in the vicinity of the known utilities, an extensive number of undocumented underground utilities were encountered, including small conduits for irrigation, streetlights, traffic signals, and residential service laterals. These are primarily residential connections into the City's water and gas lines that are not mapped by the City and are not identified by Dig Alert, the legally required utility identification for the Project.

It was determined that hand digging all pole foundations was the best approach for minimizing risks associated with damaging an undocumented utility. To keep work on the pole foundations proceeding, initial CCO No. 16, in the amount of amount of \$198,808, was issued to Walsh for hand digging of pole foundations at approximately 53 locations. Supplemental CCO No. 16.1, in the amount of \$1,400,000, was subsequently approved by the Board on June 22, 2020, and issued to Walsh for continued work associated with hand digging of OCS, traffic signal, and streetlight pole foundations. The cost of the supplemental CCO was based on an assumption on the number of pole foundations that would require hand digging given the excavations experienced to date.

Hand digging of utilities in the Pacific Electric Right-of-Way (PEROW) was not assumed in CCO No. 16.1, as utility conflicts in that segment of the Project were not anticipated. However, when pole foundations were being installed in the PEROW, numerous unknown utilities were encountered. To minimize risks associated with damaging the utility lines, hand digging of the pole foundations in the PEROW was undertaken. Additionally, most of the pole foundations installed in City streets required several iterations of surveying, layout, and potholing to identify a location for the foundation that was clear of utilities. The level of effort associated with the hand digging of pole foundations in the PEROW, as well as in the City streets, was significantly more than anticipated. As a result, the funds in CCO No. 16.1 have nearly been depleted and additional funding is required to enable hand digging to be performed on the remaining pole foundations that need to be installed.

An independent cost estimate, which provides an order of magnitude cost for the continued work to hand dig pole foundations, has been prepared by the CM team. The cost of the additional work is estimated at \$1,400,000, and includes an assumption that a percentage of the pole foundations will require several iterations of surveying, layout, and potholing to avoid utility conflicts.

The cost of the work associated with the three CCOs will be funded from the Project contingency because the work was not included in the Project cost estimate. It will not increase the Project cost of \$407,700,000, as defined in the Full Funding Grant Agreement.

### ***Procurement Approach***

The initial procurement was handled in accordance with OCTA's Board-approved procedures for public works projects. These procedures, which conform to both federal and state requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process. On September 24, 2018, the Board authorized Agreement No. C-7-1904 with Walsh, in the amount of \$220,538,649, for construction of the Project.

Proposed CCO No. 43 in the amount of \$372,136, CCO No. 48 in the amount of \$1,177,362, and CCO No. 16.2 in the amount of \$1,400,000, will increase the cumulative value of the contract by \$ 2,949,498, to \$241,174,189, as shown in Attachment A. Board approval is required for CCO nos. 43, 48, and 16.2, pursuant to the State of California Public Contracting Code Section 20142.

**Fiscal Impact**

The additional work for this Project is included in OCTA's Fiscal Year 2020-21 Budget, Capital Programs Division, Account 0051-9017-TS010-Z55, and is funded with Federal Transit Administration Section 5309 New Starts and local Measure M2 funds.

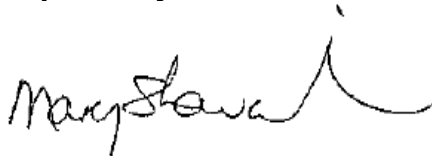
***Summary***

Staff recommends Board authorization for the Chief Executive Officer to negotiate and execute CCO No. 43, in the amount of \$372,136, for the acquisition of updated communications equipment; CCO No. 48, in the amount of \$1,177,362, for removal of thicker asphalt concrete pavement from City streets; and CCO No. 16.2, in the amount of \$1,400,000, for additional hand digging of overhead contact system, traffic signal, and streetlight pole foundations, to Agreement No. C-7-1904 with Walsh.

***Attachment***

- A. Walsh Construction Company II, LLC, Agreement No. C-7-1904,  
Contract Change Order (CCO) Log

**Prepared by:**

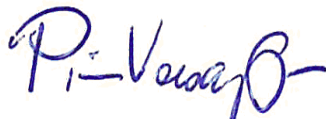


Mary Shavalier  
Program Manager  
(714) 560-5856

**Approved by:**



James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646



Pia Veasapen  
Director, Contracts Administration and  
Materials Management  
(714) 560-5619



**Walsh Construction Company II, LLC**  
**Agreement No. C-7-1904**  
**Contract Change Order (CCO) Log**

CCO No.	Title	Status	Date Executed	Cost
1	Demolition, Removals, and Disposal at the Maintenance and Storage Facility (MSF) Property	Approved	6/20/2019	\$199,749.00
1.1	Demolition, Removals, and Disposal at the MSF Property Additional Funding	Approved	6/25/2019	\$113,884.77
1.2	TIE I - Schedule Impacts Associated with CD-001 and CD-003	Approved	6/17/2020	\$0.00
2	Removal and Disposal of Contaminated Materials at the MSF Property	Approved	6/25/2019	\$200,000.00
2.1	Removal and Disposal of Contaminated Materials at the MSF Property Additional Funding	Approved	8/15/2019	\$160,000.00
3	Removal and Disposal of Contaminated Materials within the Orange County Transit District-Owned Pacific Electric Right-of-Way (PEROW)	Approved	9/12/2019	\$1,600,000.00
3.1	Removal and Disposal of Contaminated Materials Within the Orange County Transit District-Owned PEROW and Other Project Areas	Approved	2/25/2020	\$7,278,795.00
4	Required Work to Address Utility Conflicts	Approved	8/27/2019	\$200,000.00
4.1	Required Work to Address Utility Conflicts Additional Funding	Approved	2/25/2020	\$833,300.00
4.2	Required Work to Address Utility Conflicts Additional Funding	Approved	6/9/2020	\$2,426,000.00
5	Tree Removal and Trimming	Approved	6/9/2020	\$129,215.52
7	Orange County Sanitation District Specifications Revisions	Approved	6/9/2020	\$82,445.00
8	Maintenance Path Profile	Approved	6/9/2020	\$6,055.00
9	Vapor Barrier Installation	Pending		\$395,717.00
10	Ultrasonic Testing	Approved	6/9/2020	\$0
11	Opticom Vehicles	Approved	6/9/2020	\$40,120.00
12	Santa Ana River Bridge Precast Girders	Approved	8/27/2020	\$88,877.00
13	Retaining Wall 544 Reinforcing Steel	Approved	9/3/2020	\$2,321.30
14	MSF Retaining Wall 508	Approved	12/14/2020	\$125,341.00
15	Overhead Contact System (OCS) and Traffic Signal Utility Conflicts	Approved	6/17/2020	\$195,723.00
16	Hand digging and Survey for OCS and Traffic Signal Pole Foundation	Approved	6/23/2020	\$198,808.00
16.1	Hand digging and Survey for OCS, Traffic Signal, and Streetlight Pole Foundations	Approved	6/26/2020	\$1,400,000.00
16.2	Hand digging and Survey for OCS, Traffic Signal, and Streetlight Pole Foundations	Pending		\$1,400,000.00

17	Westminster Bridge OCS Diaphragm	Approved	10/30/2020	\$1,682.00
18	Removal of Man-Made Objects	Approved	11/23/2020	\$300,000.00
19	Removal of Boulders	Approved	11/17/2020	\$160,000.00
20	Removal of CL Fence	Pending		\$7,316.90
21	Changes to Turnout Geometry	Approved	10/5/2020	\$0
22	Railroad Crossing Gate Bells	Approved	10/5/2020	\$0
23	Santa Ana River Bridge, OCS Pole, and OCS Down Guy Diaphragms	Pending		\$7,419.00
24	OCS Sectionalization – Siemens portion	Approved	10/5/2020	\$158,941.00
24.1	OCS Sectionalization	Pending		\$722,253.92
26	Revisions to Station Color Schedule, Glass & Pylon	Pending		\$176,419.84
27	Street Lighting	Approved	11/19/2020	\$12,347.91
28	Extension of Time- TIE 004 & 007	Approved	12/8/2020	\$0.00
29	SARB OCS Pole and OCS Down Guy Diaphragms	Approved	11/19/2020	\$34,216.80
30	Electrical Continuity Testing	Pending		\$23,928.10
30.1	Electrical Continuity Testing	Pending		\$320,164.40
32	Asbestos Survey	Pending		\$25,000.00
35	No Sunshade for Variable Message Sign	Pending		\$0.00
43	End of Life Equipment	Pending		\$372,136.38
45	Thickened AC Pavement	Pending		\$60,000.00
48	Thickened AC Pavement	Pending		\$1,177,362.00

Subtotal Executed CCOs	\$15,947,822.30
Subtotal Pending CCOs	\$4,687,717.54
TOTAL CCOs	\$20,635,539.84
ORIGINAL VALUE	\$220,538,649.00
PROPOSED REVISED VALUE	\$241,174,188.84