



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, April 12, 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 Orange County Transportation Authority (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 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.



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.

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 Shaw

Pledge of Allegiance

Director Muller

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 Katrina Foley.



BOARD AGENDA

2. Public Member Selection

Andrea West/Jennifer L. Bergener

Overview

The Orange County Transportation Authority Board of Directors approved a process for the recruitment and selection for the currently vacant Public Member seat on February 8, 2021. Consistent with that process and delegated responsibility, the Executive Committee established a short-list of three candidates, interviewed those candidates, and has selected a final candidate for consideration and approval by the Board of Directors. The Executive Committee is recommending Tam Nguyen to serve as the Public Member, filling the currently vacant seat on the Board of Directors.

Recommendation

Approve Tam Nguyen to serve as the Public Member on the Orange County Transportation Authority Board of Directors, filling the currently vacant seat, with a term effective April 12, 2021.

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 March 22, 2021.



BOARD AGENDA

4. Coronavirus Update Darrell E. Johnson

Overview

The Orange County Transportation Authority continues to take proactive measures in response to the impacts of the coronavirus pandemic in relation to transportation services, programs, and projects. The response efforts are centered around agency core values, helping to ensure the health and safety of the public and employees while continuing to provide essential transportation services and deliver critical infrastructure improvements. An overview and update on these efforts is presented.

Recommendation

Receive and file as an information item.

5. Orange County Transportation Authority Investment and Debt Programs Report - February 2021 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 February 28, 2021. 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.



BOARD AGENDA**6. Amendment to Agreement for Financial Advisory Services**

Robert Davis/Andrew Oftelie

Overview

On April 23, 2018, the Orange County Transportation Authority Board of Directors approved an agreement with Sperry Capital, Inc., to provide financial advisory services for a three-year initial term and one, two-year option term. Board of Directors' approval is requested to exercise the option term effective May 1, 2021 through April 30, 2023.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-7-2137 between the Orange County Transportation Authority and Sperry Capital, Inc., to exercise the option term of the agreement, to extend the term through April 30, 2023 and increase the amount by \$400,000, for a total contract value of \$1,065,000, to provide continued financial advisory services.

7. Annual Insurance Program Review

Al Gorski/Maggie McJilton

Overview

The Orange County Transportation Authority purchases various insurance coverage protection including workers' compensation, liability, property, business interruption, and cyber losses. The Orange County Transportation Authority contracts with insurance brokers for the marketing and placement of these coverages. This staff report provides an annual review of all major Orange County Transportation Authority insurance policies, including coverage and marketing strategies used to protect its assets.

Recommendation

Receive and file as an information item.



BOARD AGENDA

8. Consultant Selection for the Interstate 405 TransModeler Simulation Model Development

Anup Kulkarni/Kia Mortazavi

Overview

Consultant services are needed to develop a traffic simulation model for Interstate 405 using the TransModeler software program. Board of Directors' approval is requested to execute an agreement to perform the required work.

Recommendations

- A. Approve the selection of Fehr and Peers as the firm to develop a traffic simulation model for the Interstate 405 using the TransModeler software platform.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2558 between the Orange County Transportation Authority and Fehr and Peers, in the amount of \$399,887, to develop a traffic simulation model for Interstate 405 using the TransModeler software platform.

Orange County Transit District Consent Calendar Matters

9. Bus Restructuring Study Consultant Selection

Jorge Duran/Kia Mortazavi

Overview

The Orange County Transportation Authority requires the services of a firm to assist in the development of recommendations for restructuring the OC Bus fixed-route bus system. A competitive procurement has been conducted, and proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested for the selection of a firm to perform the required work.



BOARD AGENDA**9. (Continued)****Recommendations**

- A. Approve the selection of Transportation Management and Design, Inc., as the firm to assist in restructuring the OC Bus fixed-route bus system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2739 between the Orange County Transportation Authority and Transportation Management and Design, Inc., in the amount of \$549,914, to assist in the development of recommendations for restructuring the OC Bus fixed-route bus system.

10. Agreement for Detail Bus Cleaning and Pesticide Application Services
Marie Latino/Jennifer L. Bergener**Overview**

On January 11, 2021, the Orange County Transportation Authority Board of Directors approved the release of a request for proposals for detail bus cleaning and pesticide application services for directly operated and contract operated fixed-route OC Bus service and OC ACCESS services. As a result, proposals were received from qualified vendors and evaluated. Board of Directors' approval is requested to award an agreement to perform the described services to the most qualified vendor.

Recommendations

- A. Approve the selection of Gamboa Services, Inc., doing business as Corporate Image Maintenance, as the firm to provide detail bus cleaning and pesticide application services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2702 between the Orange County Transportation Authority and Gamboa Services, Inc., doing business as Corporate Image Maintenance, in the amount of \$1,076,726, for detail bus cleaning and pesticide application services for a three-year initial term effective May 1, 2021 through April 30, 2024, with a two-year option term.



BOARD AGENDA

11. Amendment to Agreement for Coach Operator, Operations Instructor, and Field Supervisor Uniforms

Sergio Hernandez/Jennifer L. Bergener

Overview

On May 22, 2017, the Board of Directors approved an agreement with Becnel Uniforms to supply uniforms for coach operators, training instructors, and field supervisors on an as-needed basis for a three-year initial term, with two one-year option terms. The first option term will expire June 30, 2021. Board of Directors' approval to exercise the second option term is requested.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-6-1442 between the Orange County Transportation Authority and Becnel Uniforms, in the amount of \$50,000, to exercise the second option term of the agreement from July 1, 2021 through June 30, 2022, for continued uniform supply services. This will increase the maximum obligation of the agreement to a total contract value of \$871,852.

Orange County Local Transportation Authority Consent Calendar Matters

12. Orange County Local Transportation Authority Measure M2 Maintenance of Effort, Agreed-Upon Procedures Report, City of Santa Ana, Year Ended June 30, 2020

Janet Sutter

Overview

Eide Bailly LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 maintenance of effort expenditures by the City of Santa Ana, for the fiscal year ended June 30, 2020.

Recommendation

Direct staff to monitor implementation of corrective action by the City of Santa Ana.



BOARD AGENDA

- 13. Orange County Local Transportation Authority Measure M2
Agreed-Upon Procedures Reports, Year Ended June 30, 2020**
Janet Sutter

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to seven cities, Senior Mobility Program funds provided to six cities, and Senior Non-Emergency Medical Transportation funds provided to the County of Orange for the fiscal year ended June 30, 2020. Local Fair Share program reports include observations of ineligible maintenance of effort expenditures, misreporting of direct or indirect costs, misreporting of expenditures, and a funded project not reflected in the city's Seven-Year Capital Improvement Program plan. Senior Mobility Program reports include observations relating to late submission of a monthly report, third-party contracting, misreporting of expenditures, failure to allocate interest, and overcharge of administrative costs.

Recommendation

Direct staff to monitor implementation of corrective actions proposed by the cities.

- 14. Approval to Sell Surplus Land**
Joe Gallardo/James G. Beil

Overview

As part of the Measure M2 Freeway Environmental Mitigation Program, the Orange County Transportation Authority acquired the Trabuco Rose Preserve, formerly Ferber Ranch, to be maintained in perpetuity as a conservation property. A small portion of the Trabuco Rose Preserve, determined to have no biological value, is recommended to be sold as surplus land to an adjacent property by the Orange County Transportation Authority; therefore, staff is seeking approval to sell a portion of the Trabuco Rose Preserve as surplus land under the Surplus Land Act (Government Code Section 54220 et seq.).



BOARD AGENDA

14. (Continued)

Recommendations

- A. Declare the 0.36-acre parcel located within the Trabuco Rose Preserve as surplus land, pursuant to Government Code Section 54221(b), that is no longer necessary for the Orange County Transportation Authority's use.
- B. Direct staff to sell the surplus land parcel located within the Trabuco Rose Preserve.
- C. Authorize the Chief Executive Officer to execute the necessary documents to complete the sale of the surplus land for the offer price of \$13,400.

15. Consultant Selection for Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Ross Lew/James G. Beil

Overview

On October 26, 2020, the Orange County Transportation Authority Board of Directors authorized the release of a request for proposals to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5. Board of Directors' approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Approve the selection of AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2582 between the Orange County Transportation Authority and AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.



BOARD AGENDA

16. Revisions to the Measure M2 Eligibility Guidelines

Kelsey Imler/Kia Mortazavi

Overview

The Orange County Transportation Authority's Ordinance No. 3 specifies requirements that local jurisdictions must satisfy in order to be eligible to receive Measure M2 net revenues. Measure M2 Eligibility Guidelines are used to assist local jurisdictions in navigating Measure M2 eligibility requirements and submittal processes. Proposed updates to the Measure M2 Eligibility Guidelines are presented for the Board of Directors' review and approval.

Recommendation

Approve proposed revisions to the Measure M2 Eligibility Guidelines.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

17. Measure M2 2020 Update: Next 10 Delivery Plan

Francesca Ching/Kia Mortazavi

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects through fiscal year 2030. A comprehensive review was recently conducted to account for updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project cost estimates. In December 2020, the Board of Directors was presented with options to manage the impacts of the changes. Based on feedback, staff has updated the Measure M2 Next 10 Delivery Plan. The goals are to ensure fulfillment of the Measure M2 commitments, maintain fiscal sustainability, and strive to deliver transportation benefits early. The results of this effort are presented to the Board of Directors for review and approval.



BOARD AGENDA

17. (Continued)

Recommendations

- A. Adopt the 2020 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

18. Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

Adriann Cardoso/Kia Mortazavi

Overview

The voter-approved Measure M2 Ordinance No. 3 requires that local jurisdictions meet a maintenance of effort requirement to remain eligible to receive Measure M2 funding. Local jurisdictions are continuing to experience uncertainties in general fund revenues due to the coronavirus pandemic, which is anticipated to impact their ability to meet the maintenance of effort requirement. In response to these impacts, the Board of Directors approved an amendment to the Measure M2 Ordinance No. 3 in June 2020 to provide flexibility on this requirement through fiscal year 2020-21. An amendment to extend the revised maintenance of effort requirement through fiscal year 2021-22 is proposed to continue assisting local jurisdictions through this period of economic uncertainty.

Recommendations

- A. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to extend the fiscal year 2020-21 revised maintenance of effort requirement into fiscal year 2021-22 to continue assisting local jurisdictions through this period of economic uncertainty.
- B. Direct staff to set a date of May 24, 2021, for a public hearing and Board of Directors' action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 as it relates to the maintenance of effort requirement.



BOARD AGENDA

Discussion Items

19. State Plans and Policies Related to Climate Change

Kurt Brotcke/Kia Mortazavi

The transportation sector is a large contributor to California's greenhouse gas emissions. The State of California has approved multiple policies over the years to reduce emissions from transportation sources. New state policies will further these efforts and will likely to shift state transportation planning and funding priorities. An update on these policies is provided for information purposes.

20. Fiscal Year 2021-22 Budget Assumptions

Victor Velasquez/Andrew Oftelie

Staff is in the process of developing the fiscal year 2021-22 annual budget. Staff will be presenting revenue and expenditure assumptions for the committee's consideration.

21. Public Comments

22. Chief Executive Officer's Report

23. Directors' Reports

24. Closed Session

There are no Closed Session items scheduled.

25. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, April 26, 2021** at the Orange County Transportation Authority Headquarters, Board Room - Conference Room 07-08, 550 South Main Street, Orange, California.



April 12, 2021

To: Members of the Board of Directors
From: Darrell E. Johnson, Chief Executive Officer
Subject: Public Member Candidate Selection

Overview

The Orange County Transportation Authority Board of Directors approved a process for the recruitment and selection for the currently vacant Public Member seat on February 8, 2021. Consistent with that process and delegated responsibility, the Executive Committee established a short-list of three candidates, interviewed those candidates, and has selected a final candidate for consideration and approval by the Board of Directors. The Executive Committee is recommending Tam Nguyen to serve as the Public Member, filling the currently vacant seat on the Board of Directors.

Recommendation

Approve Tam Nguyen to serve as the Public Member on the Orange County Transportation Authority Board of Directors, filling the currently vacant seat, with a term effective April 12, 2021.

Background

The membership of the Orange County Transportation Authority (OCTA) Board of Directors (Board) includes two public member positions that must be filled by the Members of the Board that represent local cities and the County of Orange. The term of office for an OCTA Public Member is four years. The qualifications for a Public Member are as follows:

- Resident of Orange County, and
- Not serving currently, or within the last four years, as an elected official of a city, county, any agency, or special district within Orange County.

Consistent with the February 8, 2021 Board-approved process and communications plan, staff initiated a recruitment to solicit qualified applicants following the communications plan and timeline. The recruitment period closed

on February 26, 2021 with 34 complete applications received. The Executive Committee met on March 1, 2021 and selected three candidates to advance to the interview phase. On March 15, 2021, a Special Executive Committee meeting was held for the purpose of conducting interviews. On March 29, 2021, a second Special meeting of the Committee was held to select one candidate to recommend to the Board for consideration and approval.

Discussion

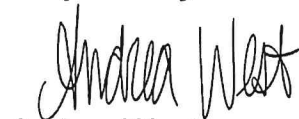
Consistent with the delegated responsibility, the Executive Committee prepared a standardized interview process and questions to further evaluate the short-listed candidates. Following interviews held during open session of the Executive Committee on March 15, 2021, the Executive Committee met again during a Special Meeting on March 29, 2021 to further discuss the interviews and qualifications of each of the three candidates interviewed. The Committee approved the recommendation of Tam Nguyen for consideration and approval by the Board.

Summary

The Executive Committee established a short-list of three candidates of the pool of 34 for interview and consideration for the currently vacant Public Member seat on the Board of Directors. The Executive Committee approved Tam Nguyen as the recommend candidate for consideration by the Board of Directors.

Attachment

- A. Application and Supplemental Information Received for Candidate

Prepared by:

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

Approved by:

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

Application and Supplemental Information Received for Candidate

Tam Nguyen

Dear Andrea:

I'm honored and excited to submit my application for consideration to fill the vacancy of the public member on the Orange County Transportation Authority Board of Directors.

Because of the unprecedented changes brought on by the COVID-19 pandemic and other society forces, OCTA -- like other organizations throughout the world -- are at the crossroads of monumental changes that likely will help set the stage for what the next decade and beyond will look like. To put it simply: It's a major reset for everyone.

As a child refugee from war-torn Vietnam, I know explicitly what it means to not only live through change but to reinvent oneself because of that change. I am more than uniquely qualified to help OCTA steer away from the tumult and toward the necessary calm vision for a bright transportation future.

I understand bus riders' perspectives as somebody who relied on transit. At my core, I am both driven by success and community driven as a servant leader in the Vietnamese-American community, but also am actively involved with many other Asian business and community organizations along with Latinx and African-American communities, LGBTQ+ groups and other disadvantaged and under-represented organizations.

As one of two public members on the board of directors, I will always respect the gravity of the public's will and trust with every board and committee meeting. With an MBA and a medical degree, I'll be methodical and detailed oriented. But coupled with my grassroots and community-minded orientation, I'll also be well positioned to help bridge the gap between technical nuances and public understanding and support.

Several years ago, I finished all my requirements to become a medical doctor. It was, after all, my Vietnamese parent's American dream for their oldest child to become a physician. However, I made the gut-wrenching decision to follow my heart and serve the community through the entrepreneurship of continuing the legacy of the family's Advance Beauty College and elevating the two campuses -- Garden Grove and Laguna Hills -- into the growth enterprises they are today through executing a strategic vision during the middle of a pandemic.

No matter how difficult that decision was a decade ago, community service is always the right decision for me then as it is for me today. That's why I am so thrilled to officially apply for the board role, so that I can continue to contribute to help OCTA reinvent its transit system, build the first countywide modern-day streetcar, deliver the innovative I-405 Express Lanes, execute environmentally sound practices and deliver many other transportation solutions for a post COVID era and beyond.



Respondent



30

Anonymous



22:14

Time to complete



1. First Name *

Tam

2. Last Name *

Nguyen

3. Email *

[Redacted]

4. Residence Address *

[Redacted]

5. Home Phone Number *

[Redacted]

6. Cell Phone Number *

7. Present Employment Status *

- ☒ Employed
- ☐ Unemployed
- ☐ Retired

8. Present Occupation *

9. Employer *

10. Race

- ☐ Caucasian
- ☐ Black
- ☒ Asian American
- ☐ Native American
- ☐ Hispanic
- ☐ Native Hawaiian / Other Pacific Islander
- ☐ Two or More Race (Non-Hispanic)
- ☐ Opt Out

11. How many years have you lived in Orange County? *

30

12. Are you currently an elected or appointed officer of any public entity? *

☐ Yes

☒ No

13. If you are currently an elected or appointed officer, please state your position.

Not Applicable

14. Please describe your ability to translate facts, trends, and external realities into strategy. For example, environmental, equity, and governance issues are now a top priority and an area where any board candidate should be knowledgeable and be able to provide direction. *

As somebody trained and educated in language, science and medicine, I relish opportunities to take technical concepts and other difficult-to-understand data, stats and terminology into simple but compelling messages that are applicable to the real world, especially seemingly difficult situations and turn them into advantages with in-depth research, careful planning, precise execution and constant metrics review. In addition to my intellectual ability, I also can synthesize seemingly divergent or disparate challenges into a strategic approach that creates mutually positive benefits. Environmental, governance and race equity have become recent universal priorities. But as a Vietnamese American who has lived near the ocean in Orange County for more than 30 years who has relied on public accountability and sought governance, these have always been my reality. Having experienced diversity and inclusion, solid environmental stewardship and good government, I have a lifetime experience to help provide other OCTA board members with my unique background to help shape and enhance the future of transportation projects, plans and programs.

15. In what transportation-related activities have you been involved? *

My experiences with transportation have been both vast and intimate. As a child refugee from Vietnam, my parents relied on public transportation to be able to do almost everything from buy food at the market to medical appointments. We were not unique as we saw other newcomer families do the same. Often it was young mothers like my own mother who packed us for a half day adventure on doing errands because of the bus system in Walnut or in Little Saigon. I've also been a proud and contributing members of OCTA's Diverse Community Leaders Group since its inception more than eight years ago. I've learned about all the different OC Bus expansion efforts from Santa Ana to Garden Grove along with the different projects from the West County Connectors to the Garden Grove Freeway project. More importantly, I've been able to share my input and the community's comments to help improve projects, so they better serve the community. I've helped distribute information to countless community and business organizations in many rounds of surveys and public participation events to maximize public feedback, especially for efforts to improve the bus system. I've also participated in numerous focus groups all the way back to the renewal of Measure M and provided OCTA staff and consultants with messages and project deliverables that would help move the needle to gain public support for the half-cent sales tax renewal. To this very day, I'm involved in helping OCTA with my comments and suggestions on how to better engage with not only the Vietnamese-American community but also other Asian stakeholders and influential along with other communities of color such as my work with Cultures United of Orange County United Way and the Black Chamber of Commerce of Orange County and numerous Latino business and community groups as well as my advocacy work as an ally to the LGBTQ+ community in Orange County and beyond.

16. What specialized skill or expertise would you bring to the OCTA Board? *

My strongest skill I can bring to the OCTA Board is powerful and effective voice for the public. I am community-oriented to my core. All the boards I am honored to be an active part of all have one common denominator: a focus on the public good. Also, since the COVID-19 crisis began nearly one year ago, I've led an all-volunteer effort to secure and deliver more than \$30 million worth of much-needed personal protective equipment to healthcare professionals and other front-line workers throughout the U.S. and more than 60,000 restaurant meals to essential workers and vulnerable seniors. In addition to my duties as president of Advance Beauty College with a campus in Garden Grove and a campus in Laguna Hills with 500 students and 50 faculty and staff and my many other obligations, I worked closely with other partners to be able to accomplish this tremendous feat. I also possess strong communications skills in both English and Vietnamese. In fact, just this past year along, I've done more than 100 live and taped news interviews with international news, national TV networks and regional media with an adherence to message integrity. Lastly, I am uniquely qualified to accurately communicate the community's voices and help bring them to the decision-making table in a meaningful way.

17. Please describe any relevant leadership experience, including an understanding of the complex challenges of leadership. *

Leadership for me is short and simple: Community service and the public good. For me, it will never be about me. It will always be about the WE. The community's perspectives will always take precedence as they are our taxpayers and our voters. I'll do everything in my power to amplify their voices from their seat on board the OC Bus, the Metrolink train and OC Flex.

18. Please describe your understanding of the legal and other responsibilities of a public service agency within the context of the organization's responsibility for transportation planning, finance, project delivery, and operations under the umbrella of public transportation. *

I understand that OCTA was created after joining with the transit district and the countywide transportation planning organization. I also know that OCTA was created under state law as a special services agency similar to water districts, etc. There are also strict funding requirements for local, state and federal funds – funds can only be used for specific purposes. The most important thing for funding for me is that thanks to Measure M, now called Go OC, Orange County has been able to leverage more funds from state and even federal sources to be able to bring back much-needed transportation dollars to Orange County. Facts and other details I may not know, I'm not shy about asking and will quickly immerse myself in what I call in-depth backgrounding so I may understand the details as well as the big picture in order to share that with Orange County's dynamic demographics, solicit their feedback and bring the public's perspectives to the full OCTA Board of Directors.

19. Please upload the following items to this folder: <http://bit.ly/3cM0Qxc> (<http://bit.ly/3cM0Qxc>)

1. Resume, including any related Board or committee experience.
2. Letter of interest, outlining why you are interested in this position.

If you prefer, you may list your experience below. *

Tam T. Nguyen Driven community leader, Small Business Owner, Educator and proud Orange County resident of 30 years looking to utilize my diverse skills to support OCTA's mission of keeping Orange County moving. [REDACTED]
[REDACTED] EXPERIENCE Advance Beauty College President 03/1999-Present Executed strategic business renewal plan that netted continuous year over year growth in enrollment from 1999-2019 Planned and implemented student retention netting a continuous 90% graduation, while industry average is 70% Led the acquisition of an existing beauty college in Lake Forest in 2012 Purchased a 10,000 square foot building in January 2021 for campus expansion California State University, Fullerton Faculty, Business Management Department 07/2016-Present Teaching and mentoring for 5 years Management senior level course with a 5 star rating on rate my professor Led a study abroad program to Vietnam for 10 Cal State Fullerton business management students Chair-Elect, Philanthropic Board of Governors 6/2020-Present Leading and continuing a "It Takes a

Titan" \$200 million campaign to 83% to goal Chaired the Advocacy and Community relations committee successfully obtaining \$300 million from the state Past President, Alumni Association 2010-2011 Provided leadership establishing 20 chapters for the association Founded an MBA alumni chapter while leading the alumni association representing 300,000 alumni in 2010 Vietnamese American Chamber of Commerce Past Chairman & CEO 2009-2013 Advisory Board 2013-Present Created systems and organizational structure to establish a 5 year strategic plan for the growth of the chamber Established corporate memberships with AT&T, Disneyland, Bank of America, UCI, Cal State Fullerton while leading the oldest and largest chamber of its kind representing a community of over 200,000 Grew membership by 200% during the 4 year chairmanship Orange County Transportation Authority Member, Diverse Community Leaders 2004 Provided input and community comments to help improve projects, to better serve community Done outreach on various projects such as OC Streetcar project, OC Bus expansion efforts, 405 freeway updates Orange County United Way Vice Chair, Executive Board Member 06/2015-Present Orange County Diverse Community Leaders Group Original Member 07/2020-Present Pacific Trade & Culture Alliance Chair, 2021 Board Member 2019-Present Representing 10 Asian American business groups to collaborate in business while hosting the annual South Coast Plaza Asian American Heritage Month The Disneyland Resort Diverse Leaders Member 02/2012-Present Provided strategic direction and direct relationships to the Asian American community while consulting on Lunar New Year, serving as a keynote speaker for the Disney Scholarship program, hosting in Little Saigon Disney chef tours to provide direction on menu selection of California Disney Adventure Garden Grove Community Foundation President 2020-Present Secretary/Board Member 2016-2019 Outreached to diversity the board with additional board members from the Korean, Vietnamese and Hispanic community EDUCATION BS in Biological Sciences & Minor Business Management University of California, Irvine 08/1991 - 06/1995 Dean's List MD, Doctor of Medicine American University of the Caribbean 08/1996 - 06/2000 MBA, Master of Business Administration California State University, Fullerton 08/2002 - 05/2005 ORGANIZATIONS/OTHER Center for Family Business, Cal State Fullerton Advisory Board Member (09/2017 - Present) Center for Leadership, Cal State Fullerton (02/2016-Present) Little Saigon TV Weekly Talk Show Host of the Money Smart Program (01/2018-Present) Orange Coast Memorial Medical Center Chair, Community Benefits Oversight Committee (01/2020-Present)

20. I hereby declare the information provided in this Application for the OCTA Board of Directors Public Member is true, correct and complete to the best of my knowledge. I understand that my statements may be verified and I give permission to do so. *

Type your name and date below to verify the above statement.

Tam Nguyen 2/26/2021

21. I am an applicant for the office of public member of the Board of Directors of the Orange County Transportation Authority. I agree that if, at any time in the next four years, I solicit or accept any campaign contributions, either directly or indirectly, in support of my possible candidacy for any elected office, or if I file as a candidate for any elected office, then I will immediately resign the office of Public Member of the Board of Directors of the Orange County Transportation Authority in the event I have been appointed to that office. *

Type your name and date below to verify the above statement.

Tam Nguyen 2/26/2021

MINUTES

Board of Directors' Meeting

Call to Order

The Monday, March 22, 2021, regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Do 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 quorum of the Board of Directors (Board) as follows:

Via Teleconference: Andrew Do, Chairman
Mark A. Murphy, Vice Chairman
Lisa A. Bartlett
Doug Chaffee
Barbara Delgleize
Brian Goodell
Patrick Harper
Michael Hennessey
Gene Hernandez
Steve Jones
Joseph Muller
Vicente Sarmiento
Tim Shaw
Harry S. Sidhu
Donald P. Wagner
Ryan Chamberlain, District Director – Caltrans District 12

Directors Absent: None

Staff Present: Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Deputy Clerk of the Board
Sahara Meisenheimer, Deputy Clerk of the Board

Via Teleconference: Darrell E. Johnson, Chief Executive Officer
James Donich, General Counsel

Invocation

Director Jones gave the invocation.

Pledge of Allegiance

Director Harper led in the Pledge of Allegiance.

Special Calendar

1. Adopt Resolutions of Necessity for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Chairman Do opened the public hearing for this item and announced James Donich, General Counsel would be providing an opening statement on Resolution of Necessity (RON) 2021-018.

Mr. Donich stated that RON No. 2021-018 HBR, LLC, is being pulled since OCTA had reached an agreement with the property owners for that resolution. He noted two objection letters for resolutions 2021-017 and 2021-019 were included in the Board Agenda packet. The property owners, through their council, have submitted the objection letters to the adoption of the resolutions. These letters state that they disagree with the amount of the appraisals and the offers made to them for the property rights that OCTA seeks to acquire. If OCTA had reached an agreement on the appraisals, OCTA would not need to seek the adoption of a RON. Generally, when there is an objection to adopting a RON, the property owner disagrees with the amount of compensation listed in the offer.

Mr. Donich also commented on the proposed RON process and stated that 12 affirmative votes are needed to pass the RON's.

Ross Lew, Program Manager, provided a PowerPoint presentation.

Director Shaw asked for clarification on the driveway on Slide 5 of the PowerPoint presentation.

Mr. Lew responded that the driveway reconstruction can be done expeditiously in off business hours and will not impact the business. It can be reconstructed with a rapid setting concrete and can be open to access the next day.

Chairman Do opened the floor for public comments. No public comments were received other than the two objections previously sent to the Board in the Agenda packet.

1. (Continued)

A motion was made by Director Hennessey, seconded by Director Delgleize, and following a roll call vote, declared passed 14-1 to adopt Resolution of Necessity Nos. 2021-017, and 2021-019, and authorize and direct General Counsel to prepare, commence, and prosecute a proceeding in eminent domain for the purpose of acquiring necessary right-of-way and real property interests for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.

Director Wagner voted in opposition on this item.

Consent Calendar (Items 2 through 9)

2. Approval of Minutes

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of March 8, 2021.

3. Agreement for Construction of the Anaheim Canyon Metrolink Station Improvement Project

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to:

- A. Find Environmental Construction, Inc., the apparent low bidder, as non-responsive for failure to meet the federal program requirement for Disadvantaged Business Enterprise participation.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2193 between the Orange County Transportation Authority and Stacy and Witbeck, Inc., the lowest responsive, responsible bidder, in the amount of \$13,480,000, for the construction of the Anaheim Canyon Metrolink Station Improvement Project.
- C. Authorize the use of up to \$4,300,000, in additional federal Congestion Mitigation and Air Quality Improvement Program funds to provide full funding for construction of the Anaheim Canyon Metrolink Station Improvement Project.
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program to facilitate programming of the Project.

4. State Legislative Status Report

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to:

- A. Adopt a SUPPORT position on AB 1499 (Daly, D-Anaheim), which would remove the sunset date on existing design-build authority for highway projects.
- B. Adopt an OPPOSE UNLESS AMENDED position on SB 261 (Allen, D-Santa Monica), which would require metropolitan planning organizations to meet vehicle miles traveled reduction targets as part of the regional transportation plan.

5. Federal Legislative Status Report

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to receive and file as an information item.

6. Local Transportation Fund Claims for Fiscal Year 2021-22

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to adopt Orange County Transit District Resolution No. 2021-013 authorizing the filing of Local Transportation Fund claims, in the amounts of \$152,727,401 to support public transportation and \$8,094,904 for community transit services.

7. Approval to Release Invitation for Bids for Battery Chargers for 40-Foot Plug-In Battery-Electric Buses

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to approve the release of Invitation for Bids 0-2731 for battery chargers for 40-foot plug-in battery-electric buses.

8. Bus Operations Performance Measurements Report for the Second Quarter of Fiscal Year 2020-21

A motion was made by Vice Chairman Murphy, seconded by Director Hernandez, and following a roll call vote, declared passed 15-0, to receive and file as an information item.

9. Agreement for Public Communications and Community Outreach Consultant Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Darrell E. Johnson, Chief Executive Officer (CEO), stated staff pulled this item at the Legislative and Communications Committee meeting and continued the item to the next Board of Directors meeting.

Regular Calendar

10. Transportation Infrastructure Finance and Innovation Loan Interest Rate Reset Form of Financing Documents

Andrew Oftelie, Chief Financial Officer (CFO), discussed the following:

- Background on why the Orange County Transportation Authority (OCTA) has this loan.
- The Interstate 405 (I-405) freeway and using Measure M funds on Transportation Infrastructure Finance and Innovation Act (TIFIA) loan of \$629 million loan OCTA has drawn \$287 million loan, and are paying a fixed rate of 2.91 percent.
- Staff recommends that the Board approve the necessary documents to terminate the existing loan and establish a new loan with the Build America Bureau (Bureau) that administers TIFIA loans.
- OCTA would pay back the Bureau and establish a new loan at whatever the 30-year treasuries plus one basis point, then draw from the amount OCTA already had outstanding.
- At the time, OCTA looked at using toll revenue bonds and compared that to a loan from the Bureau. The payment term was more flexible, and it was a lower rate.
- The weight is not a negotiable number. Benefits at the time the Board had to approve allowed for important policy decisions.
- TIFIA loan is a crucial part of the I-405 Improvement Project.
- The interest rate is at a historically low rate. The Bureau doesn't have a process in place for a straight re-financing. OCTA has worked with the Bureau, and there will be no other changes with the terms of the loan.

10. (Continued)

A motion was made by Director Delgleize, seconded by Director Sarmiento, and following a roll call vote, declared passed 15-0, to:

- A. Approve the substantially final form of the Transportation Infrastructure Finance and Innovation Act Loan Agreement between the Orange County Transportation Authority and the United States Department of Transportation for up to \$628.9 million, the substantially final form of the Second Supplemental Indenture by and between the Orange County Transportation Authority and the Trustee, and the substantially final form of the Loan Pay-off and Termination Agreement between the Orange County Transportation Authority and the United States Department of Transportation.
- B. Authorize the Chief Executive Officer to negotiate and execute a final Transportation Infrastructure Finance and Innovation Act Loan Agreement, Second Supplemental Indenture, and Loan Payoff and Termination Agreement.
- C. Authorize the Chairman, Vice Chairman, Chief Executive Officer, Chief Financial Officer, Director of Finance and Administration, and Department Manager of Treasury and Public Finance to sign all documents related to the Transportation Infrastructure Finance and Innovation Act loan, including the Transportation Infrastructure Finance and Innovation Act Loan Agreement, the Second Supplemental Indenture, Loan Pay-off and Termination Agreement, and any certificates, notices, receipts, or agreements in connection with the foregoing.

11. OC Streetcar Project Supplemental Contingency

Jim Beil, Executive Director of Capital Programs, provided a PowerPoint presentation.

A discussion ensued regarding:

- Specific projects under the Capital Investment Grants Program have additional funding available under the \$1.9 trillion stimulus funding package. It will take staff some time to figure out how that additional funding will be set up.
- Clarification on increasing the budget for the OC Streetcar Project and seeking additional supplemental allotment on contingency until further analysis is finalized by the Federal Transit Administration (FTA).

Director Hennessey noted his concerns on quality control issues with the contractor, contractor willingness, and the site's security.

11. (Continued)

Mr. Beil responded the contractor is not an issue. It's a challenging project, and there are many unknowns.

Director Goodell stated site security should be re-evaluated.

Mr. Beil stated the contractor would implement additional security.

Director Hennessey inquired about a disbarment ordinance.

James Donich, General Counsel, stated OCTA does not have a disbarment ordinance in place that would give the ability to bar a contractor from further work with OCTA. While it is available under the law, the Board has never adopted one. As long as the contractor is deemed responsible, they can participate in Invitation for Bids at OCTA.

A motion was made by Director Delgleize, seconded by Director Sarmiento, and following a roll call vote, declared passed 13-1, to:

- A. Authorize the use of up to an additional \$7.32 million in Measure M2 funds and up to \$8.29 million in additional Federal Congestion Mitigation and Air Quality Improvement Program funds to supplement the contingency for the OC Streetcar project. Along with other previously-approved funding adjustments of \$70,000, this will increase the Federal Transit Administration Full Funding Grant Agreement funding from \$407.76 million to \$423.44 million, with use of federal funds contingent on Federal Transit Administration approval.
- B. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all

Director Wagner voted in opposition of this item.

Director Chaffee was not present to vote on this item.

12. Amendment to Agreement for Construction Management Services for the OC Streetcar Project

Jim Beil, Executive Director of Capital Programs, reported on the following:

- Overview of PGH Wong Engineering, Inc., (PGH Wong) and their duties to manage the OC Streetcar Project's construction.
- Numerous challenges in the initial stages of construction and design clarifications and deficiencies have extended the overall construction duration.
- PGH Wong's time and material burn rates have been higher than what was anticipated and have resulted in a contract amendment to increase funding.
- The overall assessment is not being finalized until the Federal Transit Administration (FTA) completes its own detailed cost and schedule risk analysis.
- Staff will return later to request an additional amendment after the FTA has completed its risk analysis.

A motion was made by Director Sarmiento, seconded by Director Delgleize, and following a roll call vote, declared passed 13-1, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-6-0926 between the Orange County Transportation Authority and PGH Wong Engineering, Inc., in the amount of \$6,829,862, and extend the agreement term through November 30, 2021, for continued OC Streetcar project construction management services. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$17,983,474.

Director Wagner voted in opposition of this item.

Director Chaffee was not present to vote on this item.

Discussion Items

13. Public Comments

The DCOB stated that the COB Department received two public comments on March 21st from Craig A. Durfey, and one additional public comment was received on March 11th from an anonymous member of the public. The Board was emailed the comments on March 22nd. The comments will be retained as part of the record for today's Board meeting.

14. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

March Employees of the Month Recognition –

- The Operations Employee of the Month is Tolga Efe.
- Tolga is a coach operator at the Santa Ana base who started his driving career with OCTA in April 1998.
- Last May, Tolga achieved an impressive 20 years of safe driving.
- The Maintenance Employee of the Month is Eduardo Ramos.
- Eduardo is a Journeyman Mechanic who joined OCTA in March 1991. He is a crucial mechanic on the day shift at the Garden Grove base, working on both the contingency and the active fleet.
- The Administrative Employee of the Month is Jennifer Beaver, who joined OCTA in 2013. In addition to writing and managing the content of OCTA's award-winning blog, "On the Move," Jennifer has also played a vital role during the pandemic preparing COVID-19 information for our riders and customers.
- OCTA's March Employees of the Month were congratulated.

Public Committee Recruitment –

- OCTA is currently conducting a recruitment for the Taxpayer Oversight Committee.
- OCTA is also seeking applicants from the First, Second, Fourth, and Fifth Supervisorial Districts for the Taxpayer Oversight Committee.
- This committee ensures Measure M funds are spent in compliance with the ordinance, and its recruitment is independently conducted by the Grand Jurors Association of Orange County.
- Applications are due May 2, 2021.

15. Directors' Reports

Director Shaw provided an update on the external agencies that he serves on: Mobile Source Air Pollution Reduction Review Committee and the LOSSAN Rail Corridor Agency.

16. Closed Session

James Donich, General Counsel, announced a Closed Session would be held as follows:

Pursuant to Government Code Section 54956.9(d)(1) - Conference with General Counsel - Existing Litigation - Evan Weiss, et al., v. Orange County Transportation Authority, et al. - OSCS Case No. 30-2012-00605637.

There was no report out for the above noted Closed Session Item.

17. 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, April 12, 2021**, at the Orange County Transportation Authority Headquarters, Board Room - Conference Room 07-08, 550 South Main Street, Orange, California.

ATTEST:

Gina Ramirez
Deputy Clerk of the Board

Andrew Do
Chairman



**MATERIALS WILL BE PROVIDED UNDER
SEPARATE COVER PRIOR TO THE
April 12, 2021
BOARD OF DIRECTORS MEETING.**



COMMITTEE TRANSMITTAL

April 12, 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 - February 2021

Finance and Administration Committee Meeting of March 24, 2021

Present: Directors Goodell, Harper, Hennessey, Hernandez, Jones, and Muller

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Receive and file as an information item.



March 24, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – February 2021

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 February 28, 2021. 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 February 28, 2021, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2.0 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 1.2 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 \$70,939,988, with an average monthly effective yield of 0.4 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$22,605,370. For the month of January, the monthly gross yield for the OCIP was 0.7 percent. Yields for the month of February will be received in March.

During the month of February, three securities held within OCTA's investment portfolio were downgraded. The total number of securities on the Negative Credit Watch list decreased from six securities 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 February 28, 2021, 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 \$990 million as of February 28, 2021. Approximately 62 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 February 28, 2021.

Attachments

- A. Orange County Transportation Authority Investment and Debt Programs – For the Period Ending February 28, 2021
- B. Orange County Transportation Authority Portfolio Listing as of February 28, 2021

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
February 28, 2021**

OCTA Investment Dashboard

2/28/2021

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of February 2021:

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 security positions in Nissan Auto/Lease asset backed securities, representing less than 0.01% 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.

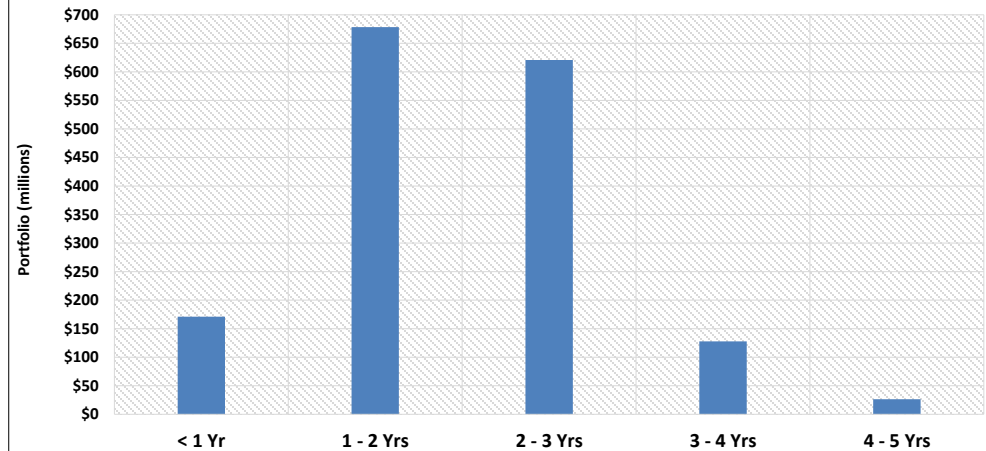
Securities downgraded or placed on Negative Credit Watch during the month of February 2021,

but remain in compliance with OCTA's Investment Policy:

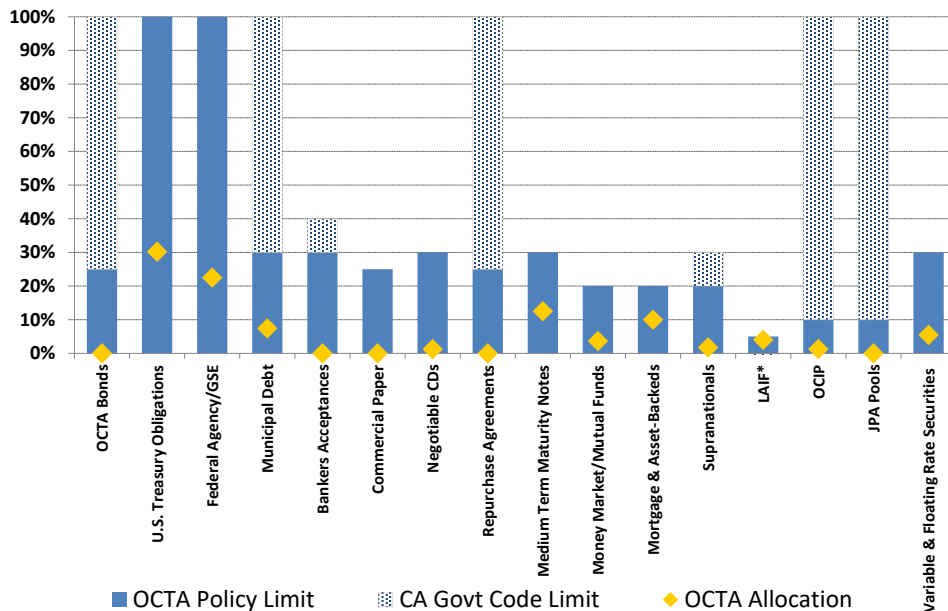
Three securities held within OCTA's investment portfolio were downgraded during the month. The total number of securities on the Negative Credit Watch list decreased from six securities to three securities for the month.

For further details please refer to A-8 of this report.

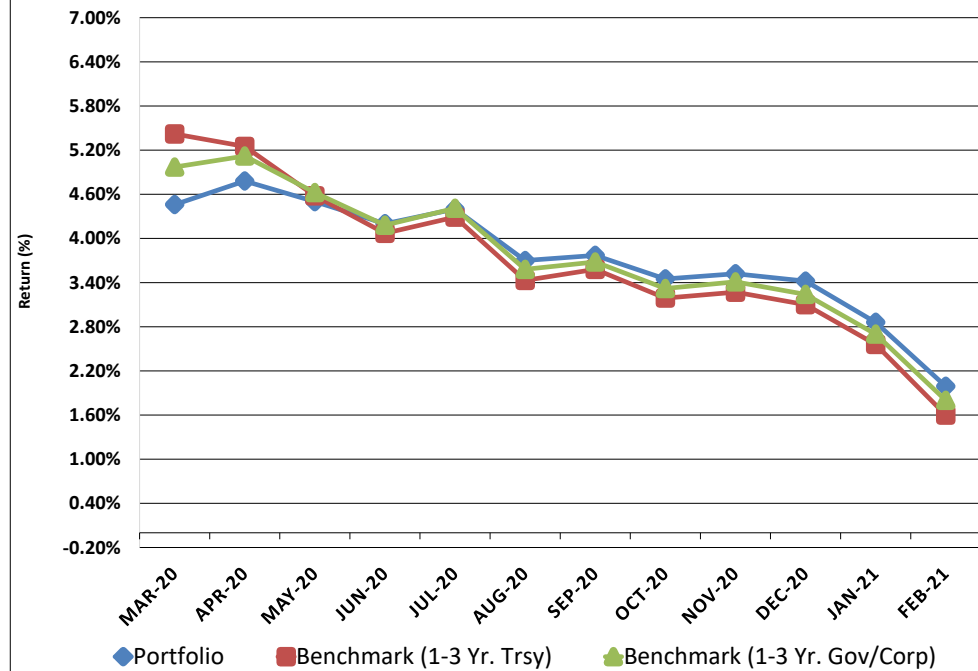
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



*Per CA Government Code LAIF limit is \$75 million

Investment Compliance

2/28/2021

Portfolio Subject to Investment Policy			
Short-Term/Liquid Portfolio ¹	Dollar Amount Invested	Percent Of Portfolio	Investment Policy Maximum Percentages
U.S. Treasury Obligations	\$ 535,757,045	29.8%	100%
Federal Agency/GSE	399,225,940	22.2%	100%
Municipal Debt	131,546,061	7.3%	30%
Commercial Paper	-	0.0%	25%
Negotiable Certificates of Deposit	21,800,000	1.2%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	222,106,841	12.4%	30%
Money Market/Mutual Funds	64,596,276	3.6%	20%
Mortgage & Asset-Backed	176,813,016	9.8%	20%*
Supranationals	30,934,095	1.7%	20%
Local Agency Investment Fund**	70,939,988	3.9%	\$ 75 Million
Orange County Investment Pool	22,605,370	1.3%	10%
Joint Powers Authority Pools	-	0.0%	10%
Bank Deposits	23,301,053	1.3%	5%
Variable & Floating Rate Securities	96,777,715	5.4%	30%
Total Short-Term/Liquid Portfolio	\$ 1,796,403,401	100.0%	

1. Excludes portion of Liquid Portfolio subject to Indenture

*Asset-backed securities, excluding mortgages, may not exceed 10 percent of the allocation

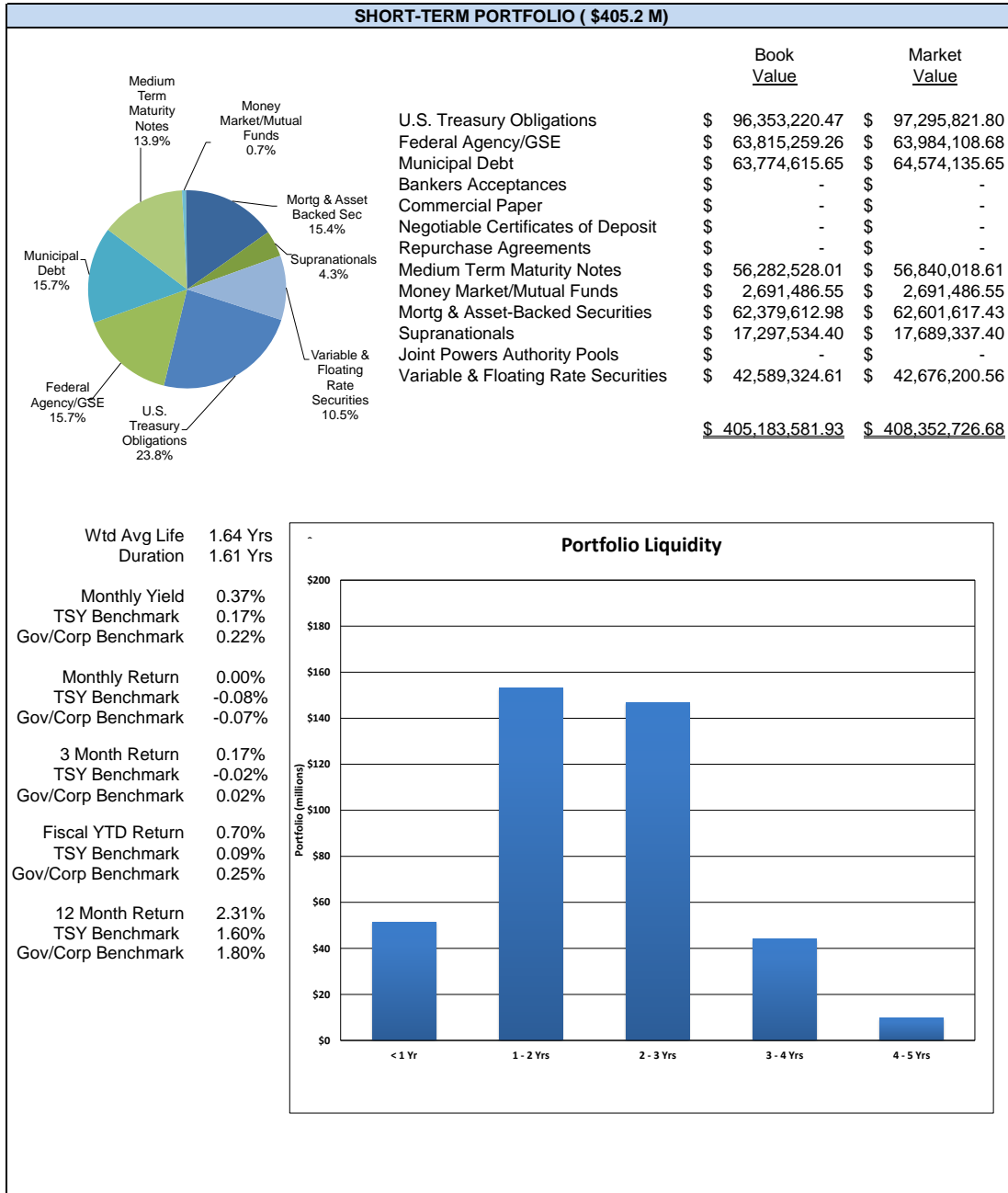
**OCTA has increased the balance in the LAIF (Pool) from \$46m to \$71m during the month of February. The move allowed OCTA to increase yield from 0.10% to 0.41% on the funds while maintaining liquidity and safety of funds.

Portfolio Subject to Indenture					
	Dollar Amount Invested	Credit Quality	OCTA Term	Indenture Requirements Credit Quality	Indenture Requirements Term
Liquid Portfolio*					
Money Market Funds	\$ 34,834,248	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Bond Proceeds Portfolio					
Money Market Funds	\$ 137,313,559	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Commercial Paper	\$ -	P-1/F-1/A-1	60-90 days	Min. A2/A	Max. 4 years
Guaranteed Investment Contract	33,700,000	Aa2/AA-/A+	N/A	Min. A3/A-	N/A
Total Bond Proceeds Portfolio	\$ 171,013,559				
Reserve Funds Portfolio					
Commercial Paper	\$ 25,076,772	P-1/F-1	60-150 days	Min. A-1/P-1	Max. 180 days
Bank Deposits	\$ 213,077				
US Treasuries Obligations	478	AAA/Aaa	30 days	Min. A2/A	Max. 5 years
Total Reserve Funds Portfolio	\$ 25,290,327				
Total Portfolio Subject to Indenture	\$ 196,303,886				
Portfolio Total	\$ 2,027,541,534				

*Reflects portion of Liquid Portfolio subject to Indenture

Investment Manager Diversification and Maturity Schedules

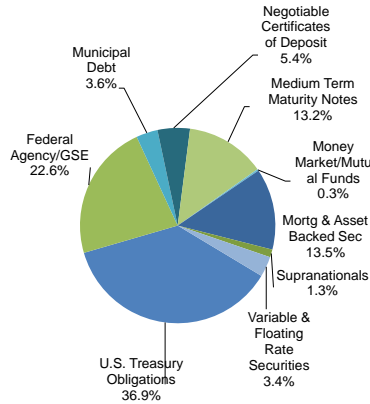
MetLife Investment Management
2/28/2021



Investment Manager Diversification and Maturity Schedules

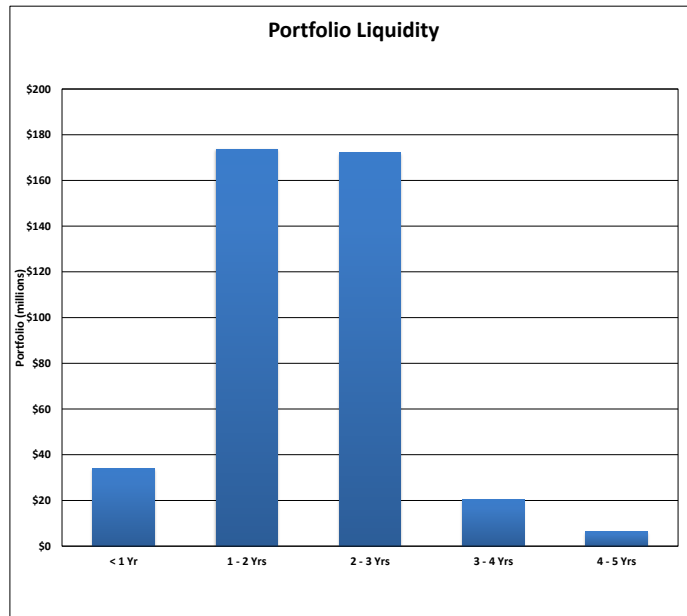
PFM
2/28/2021

SHORT-TERM PORTFOLIO (\$406.9 M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 150,069,541.64	\$ 152,930,517.15
Federal Agency/GSE	\$ 92,012,314.34	\$ 92,227,509.10
Municipal Debt	\$ 14,512,759.95	\$ 14,558,486.85
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 21,800,000.00	\$ 22,189,575.75
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 53,608,563.55	\$ 54,643,086.80
Money Market/Mutual Funds	\$ 1,142,934.56	\$ 1,142,934.56
Mortg & Asset-Backed Securities	\$ 54,815,108.94	\$ 55,665,756.28
Supranationals	\$ 5,243,418.50	\$ 5,257,330.00
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 13,683,964.67	\$ 13,777,537.05
	<u>\$ 406,888,606.15</u>	<u>\$ 412,392,733.54</u>

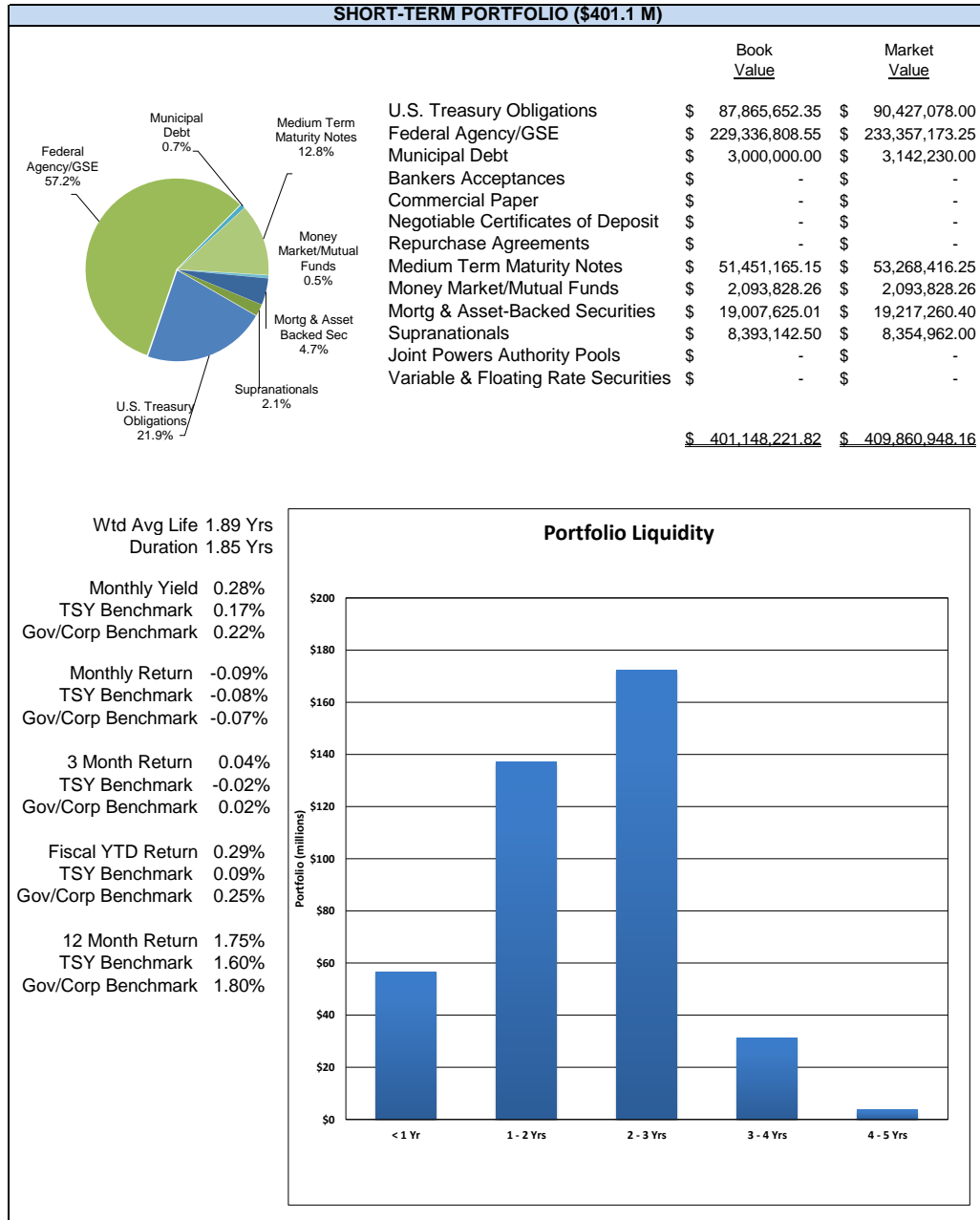
Wtd Avg Life	1.80 Yrs
Duration	1.78 Yrs
Monthly Yield	0.27%
TSY Benchmark	0.17%
Gov/Corp Benchmark	0.22%
Monthly Return	-0.06%
TSY Benchmark	-0.08%
Gov/Corp Benchmark	-0.07%
3 Month Return	0.08%
TSY Benchmark	-0.02%
Gov/Corp Benchmark	0.02%
Fiscal YTD Return	0.38%
TSY Benchmark	0.09%
Gov/Corp Benchmark	0.25%
12 Month Return	1.94%
TSY Benchmark	1.60%
Gov/Corp Benchmark	1.80%



Investment Manager Diversification and Maturity Schedules

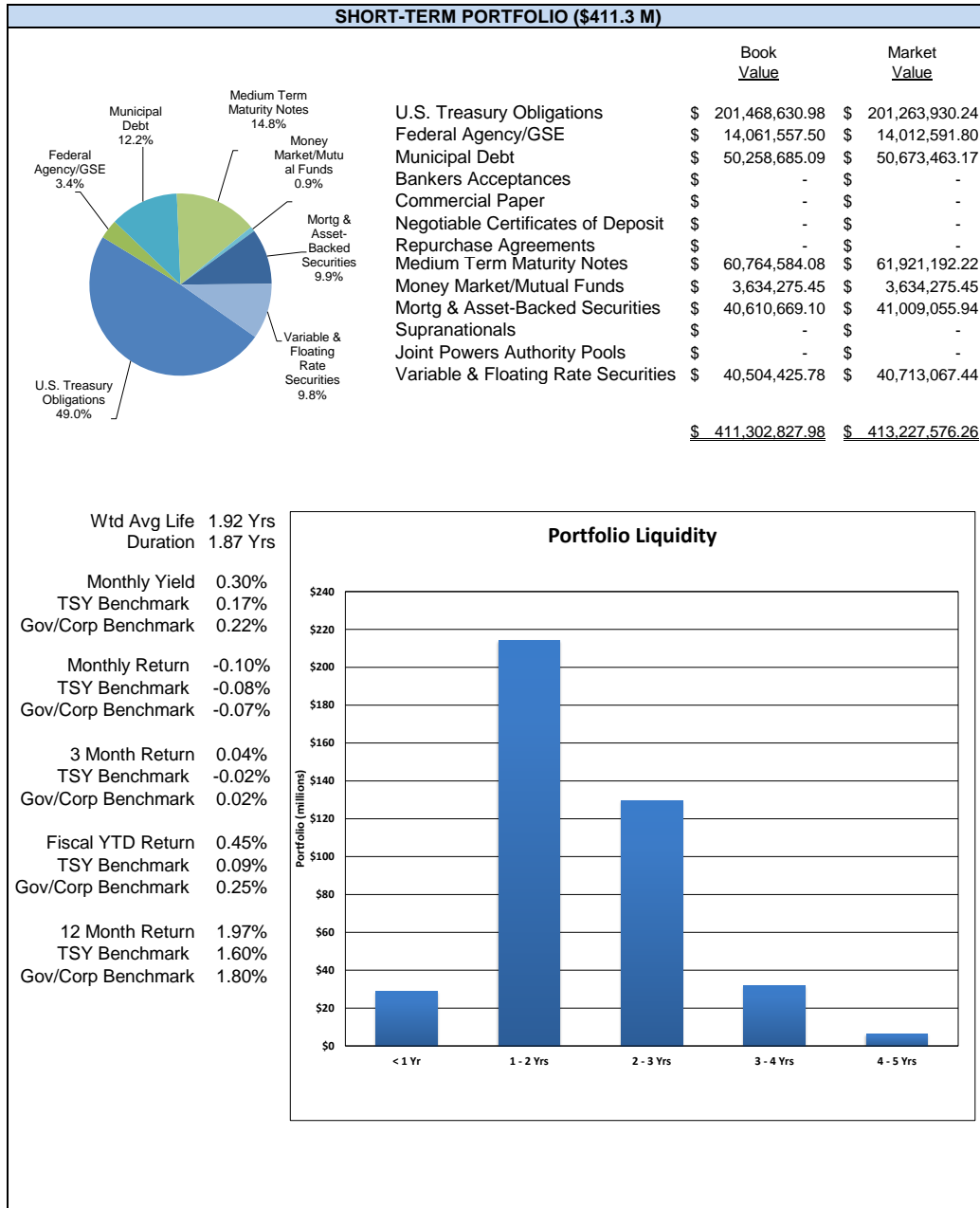
Chandler Asset Management

2/28/2021



Investment Manager Diversification and Maturity Schedules

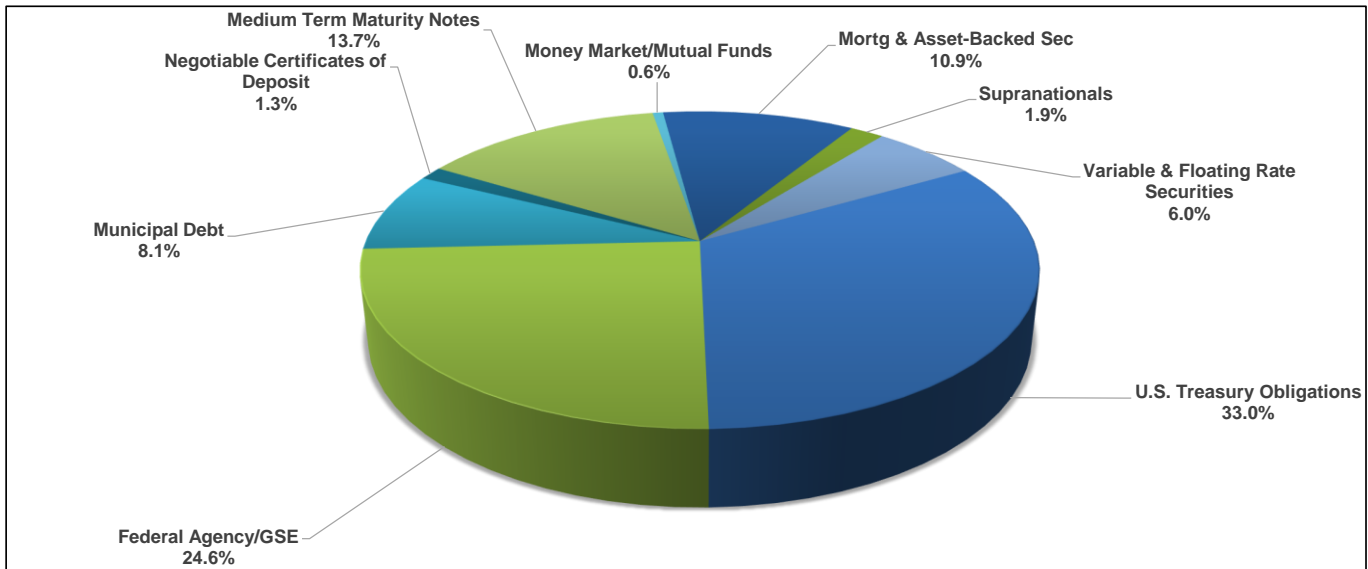
Payden & Rygel
2/28/2021



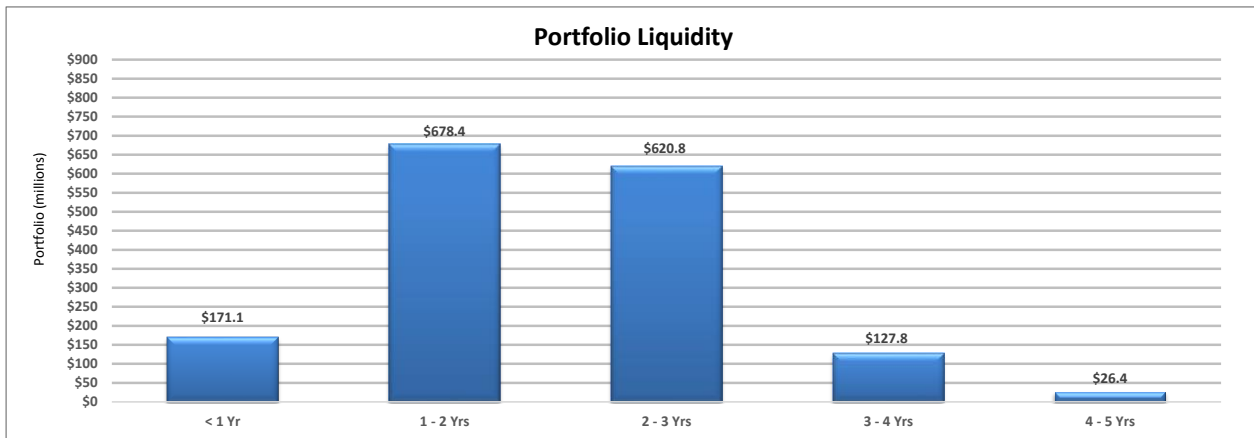
Short-Term Portfolio

2/28/2021

Portfolio Composition



Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

2/28/2021

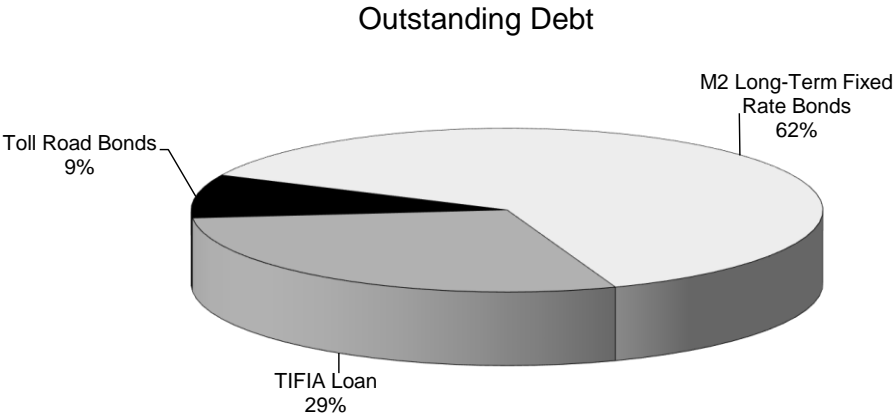
<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
Rating Downgrades:					
PFM					
Chevron <i>On February 11, 2021, S&P downgraded the long-term ratings of Chevron from AA to AA-. The downgrade is due to pandemic induced struggles in the oil and gas industry, energy transitions, price volatility, and weaker profitability are increasing risks for oil and gas producers. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Chevron's large scale, globally diversified operations, and recent stabilizations in oil prices.</i>	\$ 1,325,000	Various*	AA-	Aa2	N/A
Exxon <i>On February 11, 2021, S&P downgraded the long-term ratings of Exxon from AA to AA-. The downgrade is due to pandemic induced struggles in the oil and gas industry, energy transitions, price volatility, and weaker profitability are increasing risks for oil and gas producers. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Exxon's large scale, globally diversified operations, and recent stabilizations in oil prices.</i>	\$ 1,600,000	3/6/2022	AA-	Aa1	N/A
Payden & Rygel					
Chevron <i>On February 11, 2021, S&P downgraded the long-term ratings of Chevron from AA to AA-. The downgrade is due to pandemic induced struggles in the oil and gas industry, energy transitions, price volatility, and weaker profitability are increasing risks for oil and gas producers. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Chevron's large scale, globally diversified operations, and recent stabilizations in oil prices.</i>	\$ 455,000	5/11/2023	AA-	Aa2	N/A
Negative Credit Watch:					
PFM					
Merck & Co. <i>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.</i>	\$ 1,250,000	2/10/2022	AA-	A1	A+
Payden & Rygel					
Duke Energy <i>On February 16, 2021, Moody's placed the long-term ratings of Duke Energy under review for possible downgrade. The credit watch placement is due to Duke's weakened financial credit metrics due to a recent regulatory settlement in North Carolina, Duke's largest state by assets. The security remains in compliance with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Duke's low business and operating risk profile.</i>	\$ 2,475,000	3/15/2023	A	Aa2	N/A
Southern CA Public Power Authority <i>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 investment manager is comfortable holding the security.</i>	\$ 2,735,000	7/1/2023	AA-	N/A	AA-

*5/11/23, 8/11/23

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2017 TIFIA Loan (I-405))

Total Outstanding Debt*
As of 2/28/21



TOTAL OUTSTANDING DEBT: \$990,890,000

*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 2/28/21

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:		368,625,000
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:		21,619,546
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's):		Baa2
Final Maturity:		2058

*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 February 28, 2021

LIQUID PORTFOLIO					
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD	
<u>CASH EQUIVALENTS</u>					
BANK DEPOSITS	2/28/2021	23,301,053.00	23,301,053.00		
MONEY MARKET DEMAND ACCOUNT	N/A	55,033,750.99	55,033,750.99	0.10%	
FIDELITY TREASURY OBLIGATIONS FUND	N/A	31,180,943.55	31,180,943.55	0.01%	
FEDERATED TREASURY OBLIGATIONS FUND	N/A	3,653,304.16	3,653,304.16	0.01%	
SUB-TOTAL		113,169,051.70	113,169,051.70		
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>					
	N/A	70,939,988.31	70,939,988.31	0.41%	
<u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u>					
	N/A	22,605,370.41	22,605,370.41	0.69%	
LIQUID PORTFOLIO - TOTAL		\$ 206,714,410.42	\$ 206,714,410.42		

SHORT-TERM PORTFOLIO					
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD	
<u>Money Market Funds</u>					
FIRST AMER:GVT OBLG Z	2/28/2021	1,142,934.56	1,142,934.56	0.03%	
FIRST AMER:GVT OBLG Z	2/28/2021	2,093,828.26	2,093,828.26	0.03%	
FIRST AMER:GVT OBLG Z	2/28/2021	2,691,486.55	2,691,486.55	0.03%	
FIRST AMER:GVT OBLG Z	2/28/2021	3,634,275.45	3,634,275.45	0.03%	
SUB-TOTAL		9,562,524.82	9,562,524.82		
<u>NEGOTIABLE CERTIFICATES OF DEPOSIT</u>					
Credit Suisse AG, New York Branch	2/1/2022	3,100,000.00	3,102,604.00	0.43%	
DNB Bank ASA, New York Branch	12/2/2022	3,875,000.00	3,987,685.00	0.40%	
Nordea Bank Abp, New York Branch	8/26/2022	3,875,000.00	3,976,447.50	0.12%	
Skandinaviska Enskilda Banken AB (publ.)	8/26/2022	3,875,000.00	3,977,416.25	0.11%	
Societe Generale, New York Branch	2/14/2022	4,000,000.00	4,067,840.00	0.04%	
Sumitomo Mitsui Banking Corporation, New York Branch	7/8/2022	3,075,000.00	3,077,583.00	0.64%	
SUB-TOTAL		21,800,000.00	22,189,575.75		
<u>U.S. TREASURY OBLIGATIONS</u>					
UNITED STATES TREASURY	7/31/2022	4,097,668.75	4,190,327.70	0.15%	
UNITED STATES TREASURY	7/31/2022	7,004,300.00	7,294,653.60	0.15%	
UNITED STATES TREASURY	7/31/2022	6,005,625.00	6,147,180.00	0.15%	
UNITED STATES TREASURY	7/31/2022	5,216,656.25	5,327,556.00	0.15%	
UNITED STATES TREASURY	9/30/2022	7,534,603.16	7,766,690.40	0.15%	
UNITED STATES TREASURY	10/31/2022	5,360,733.97	5,556,119.80	0.16%	
UNITED STATES TREASURY	2/28/2023	5,538,052.36	5,811,349.20	0.18%	
UNITED STATES TREASURY	2/15/2022	7,191,843.75	7,365,672.00	0.12%	
UNITED STATES TREASURY	4/15/2022	6,003,750.00	6,143,220.00	0.14%	
UNITED STATES TREASURY	12/31/2022	4,326,890.63	4,506,165.00	0.17%	
UNITED STATES TREASURY	12/31/2022	6,439,408.22	6,826,581.00	0.17%	
UNITED STATES TREASURY	1/31/2023	1,253,320.31	1,288,087.50	0.17%	
UNITED STATES TREASURY	1/31/2023	2,911,894.53	2,988,363.00	0.17%	
UNITED STATES TREASURY	3/31/2023	15,308,789.06	15,413,100.00	0.18%	
UNITED STATES TREASURY	6/30/2023	4,097,187.50	4,107,360.00	0.23%	
UNITED STATES TREASURY	11/15/2022	3,995,937.50	4,100,640.00	0.16%	
UNITED STATES TREASURY	2/28/2022	1,006,718.75	1,017,730.00	0.11%	
UNITED STATES TREASURY	4/30/2022	633,273.05	642,946.50	0.12%	
UNITED STATES TREASURY	4/30/2022	1,974,765.63	2,041,100.00	0.12%	
UNITED STATES TREASURY	5/31/2022	9,031,289.06	9,182,430.00	0.14%	
UNITED STATES TREASURY	6/30/2022	2,010,156.25	2,043,200.00	0.14%	
UNITED STATES TREASURY	10/15/2022	745,312.50	764,857.50	0.16%	
UNITED STATES TREASURY	1/15/2023	2,713,289.06	2,767,932.00	0.16%	
UNITED STATES TREASURY	1/15/2023	4,101,875.00	4,100,640.00	0.16%	
UNITED STATES TREASURY	5/15/2023	2,192,093.75	2,196,744.00	0.19%	
UNITED STATES TREASURY	6/15/2023	4,003,281.25	4,004,080.00	0.21%	
UNITED STATES TREASURY	6/15/2023	1,051,927.73	1,051,071.00	0.21%	
UNITED STATES TREASURY	10/15/2023	9,980,859.38	9,966,400.00	0.25%	
UNITED STATES TREASURY	11/15/2023	4,123,057.81	4,117,569.20	0.27%	
UNITED STATES TREASURY	11/30/2022	874,179.69	874,763.75	0.14%	
UNITED STATES TREASURY	12/15/2023	1,995,468.75	1,991,100.00	0.28%	
UNITED STATES TREASURY	12/15/2023	2,418,842.77	2,414,208.75	0.28%	
UNITED STATES TREASURY	12/31/2022	1,924,849.61	1,924,249.25	0.15%	
UNITED STATES TREASURY	1/31/2023	7,001,640.62	6,996,430.00	0.15%	
UNITED STATES TREASURY	1/31/2025	8,313,750.00	8,255,280.00	0.55%	
UNITED STATES TREASURY	12/15/2023	7,978,437.50	7,964,400.00	0.28%	
UNITED STATES TREASURY	2/28/2022	10,149,609.38	10,102,300.00	0.11%	
UNITED STATES TREASURY	10/15/2022	7,957,187.50	8,158,480.00	0.16%	
UNITED STATES TREASURY	8/15/2022	6,983,046.88	7,139,440.00	0.14%	
UNITED STATES TREASURY	4/30/2023	5,234,208.98	5,412,435.00	0.20%	
UNITED STATES TREASURY	10/31/2023	8,007,187.50	8,290,960.00	0.26%	
UNITED STATES TREASURY	5/31/2023	7,787,187.50	8,255,280.00	0.21%	
UNITED STATES TREASURY	11/30/2022	7,718,648.44	8,051,082.00	0.17%	
UNITED STATES TREASURY	7/31/2022	6,061,226.56	6,352,086.00	0.15%	
UNITED STATES TREASURY	8/31/2022	2,874,960.94	3,077,700.00	0.15%	
UNITED STATES TREASURY	8/31/2022	4,470,357.42	4,770,435.00	0.15%	
UNITED STATES TREASURY	6/30/2022	4,329,843.75	4,597,200.00	0.14%	
UNITED STATES TREASURY	5/15/2022	3,932,955.47	3,978,628.50	0.14%	
UNITED STATES TREASURY	5/15/2022	8,869,816.41	8,940,393.00	0.14%	
UNITED STATES TREASURY	5/15/2022	1,979,554.69	1,996,995.00	0.14%	
UNITED STATES TREASURY	9/30/2022	9,196,083.40	9,376,459.95	0.16%	
UNITED STATES TREASURY	9/30/2022	7,699,007.81	7,843,621.50	0.16%	
UNITED STATES TREASURY	9/30/2022	10,407,680.66	10,586,325.75	0.16%	
UNITED STATES TREASURY	9/30/2022	4,212,140.63	4,306,302.00	0.16%	
UNITED STATES TREASURY	10/15/2022	6,859,031.25	7,036,689.00	0.16%	
UNITED STATES TREASURY	10/15/2022	3,944,908.20	4,028,249.50	0.16%	
UNITED STATES TREASURY	3/15/2023	4,087,313.28	4,082,411.80	0.17%	
UNITED STATES TREASURY	3/15/2023	5,110,995.70	5,104,273.20	0.17%	
UNITED STATES TREASURY	3/15/2023	3,678,658.20	3,674,674.00	0.17%	
UNITED STATES TREASURY	3/15/2023	4,132,031.25	4,127,716.00	0.17%	
UNITED STATES TREASURY	3/15/2023	2,821,000.00	2,818,928.00	0.17%	
UNITED STATES TREASURY	3/15/2023	614,622.66	614,123.60	0.17%	
UNITED STATES TREASURY	5/15/2023	4,098,078.13	4,093,932.00	0.19%	
UNITED STATES TREASURY	5/15/2023	5,623,022.46	5,616,675.00	0.19%	
UNITED STATES TREASURY	10/15/2023	4,989,843.75	4,983,200.00	0.25%	
UNITED STATES TREASURY	10/15/2023	4,096,476.52	4,086,224.00	0.25%	
UNITED STATES TREASURY	12/31/2022	47,714,000.00	47,695,391.54	0.15%	
UNITED STATES TREASURY	12/31/2022	549,829.97	549,785.50	0.15%	
UNITED STATES TREASURY	12/31/2022	36,440,759.77	36,440,782.55	0.15%	
UNITED STATES TREASURY	12/31/2022	3,749,560.55	3,748,537.50	0.15%	
UNITED STATES TREASURY	12/31/2022	5,799,668.82	5,797,738.00	0.15%	

Orange County Transportation Authority
Portfolio Listing
As of February 28, 2021

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	12/31/2022	3,935,153.71	3,933,465.35	0.15
UNITED STATES TREASURY	1/15/2024	27,151,585.31	27,100,516.50	0.30
UNITED STATES TREASURY	1/15/2024	11,192,214.69	11,171,163.50	0.30
UNITED STATES TREASURY	1/15/2024	6,956,193.75	6,943,110.00	0.30
UNITED STATES TREASURY	1/15/2024	1,087,871.09	1,084,550.00	0.30
UNITED STATES TREASURY	1/15/2024	2,804,621.48	2,795,950.00	0.30
UNITED STATES TREASURY	1/15/2024	16,557,790.23	16,502,075.00	0.30
UNITED STATES TREASURY	1/31/2023	45,000.00	44,977.05	0.15
UNITED STATES TREASURY	1/31/2023	8,817,010.26	8,810,104.55	0.15
UNITED STATES TREASURY	1/31/2023	8,816,838.12	8,810,104.55	0.15
UNITED STATES TREASURY	1/31/2023	4,417,707.64	4,414,247.59	0.15
UNITED STATES TREASURY	1/31/2023	759,507.62	758,912.76	0.15
UNITED STATES TREASURY	1/31/2023	3,980,777.34	3,977,970.20	0.15
UNITED STATES TREASURY	1/31/2023	910,213.28	909,535.90	0.15
UNITED STATES TREASURY	1/31/2023	2,320,725.00	2,318,816.80	0.15
UNITED STATES TREASURY	1/31/2023	4,351,359.38	4,347,781.50	0.15
UNITED STATES TREASURY	1/31/2023	3,110,242.97	3,108,413.90	0.15
SUB-TOTAL		535,757,045.44	541,917,347.19	
FEDERAL AGENCY/GSE				
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	6,996,640.00	7,010,080.00	0.14
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	8,160,363.15	8,195,394.95	0.19
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	7,758,283.75	7,781,297.75	0.22
FEDERAL HOME LOAN MORTGAGE CORP	4/20/2023	7,526,137.50	7,580,763.30	0.15
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,146,997.00	7,180,959.50	0.18
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,383,377.40	7,406,110.75	0.24
FEDERAL HOME LOAN MORTGAGE CORP	7/25/2022	4,963,756.50	4,975,646.75	0.12
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	9,190,616.00	9,207,084.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,275,963.27	5,272,415.25	0.27
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	6,997,690.00	6,996,570.00	0.27
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	3,088,437.00	3,088,282.00	0.27
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	1,991,720.00	1,992,440.00	0.27
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	8,192,620.00	8,190,652.00	0.29
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	6,918,144.25	6,911,634.75	0.32
FHMS K-727 A1	10/25/2023	421,568.52	438,178.10	0.36
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	5,959,094.65	5,953,487.55	0.32
FEDERAL NATIONAL MORTGAGE ASSOCIATION	11/27/2023	1,797,948.00	1,797,696.00	0.30
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	4,705,761.00	4,704,630.60	0.29
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	6,376,128.00	6,375,808.00	0.27
FEDERAL FARM CREDIT BANKS FUNDING CORP	10/2/2023	4,994,600.00	4,991,500.00	0.27
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	3,001,860.00	2,998,530.00	0.27
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	8,001,840.00	8,006,160.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,098,317.00	5,097,501.00	0.27
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	7,983,280.00	7,993,120.00	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	5,000,300.00	5,004,050.00	0.22
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,203,098.50	3,212,600.10	0.22
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,463,143.80	7,486,122.75	0.24
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	7,995,360.00	8,011,520.00	0.14
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	6,111,548.70	6,137,785.10	0.19
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,621,797.50	7,658,016.25	0.18
FEDERAL FARM CREDIT BANKS FUNDING CORP	5/6/2022	8,124,668.55	8,144,517.95	0.15
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/8/2022	7,204,321.80	7,233,542.55	0.14
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	8,248,720.00	8,157,760.00	0.13
FEDERAL HOME LOAN BANKS	3/8/2024	5,201,750.00	5,231,750.00	0.34
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/21/2023	5,000,600.00	5,127,600.00	0.16
FEDERAL HOME LOAN BANKS	9/8/2023	4,104,600.00	4,214,320.00	0.25
FEDERAL NATIONAL MORTGAGE ASSOCIATION	9/6/2022	3,986,080.00	4,076,680.00	0.12
FEDERAL HOME LOAN BANKS	9/8/2023	4,135,800.00	4,214,320.00	0.25
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	4,993,550.00	5,166,800.00	0.24
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/1/2023	4,996,450.00	5,162,300.00	0.17
FEDERAL FARM CREDIT BANKS FUNDING CORP	6/26/2023	6,967,450.00	7,253,470.00	0.21
FEDERAL HOME LOAN BANKS	6/9/2023	4,029,880.00	4,179,560.00	0.16
FEDERAL HOME LOAN BANKS	6/9/2023	3,977,720.00	4,179,560.00	0.16
FEDERAL NATIONAL MORTGAGE ASSOCIATION	4/12/2022	6,370,496.00	6,554,112.00	0.11
FEDERAL HOME LOAN BANKS	3/10/2023	5,053,550.00	5,263,750.00	0.16
FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2023	5,060,200.00	5,314,950.00	0.23
FEDERAL HOME LOAN BANKS	3/11/2022	3,046,221.55	3,153,764.65	0.11
FEDERAL HOME LOAN BANKS	3/11/2022	1,160,218.50	1,201,190.75	0.11
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/17/2021	6,022,920.00	6,129,660.00	0.12
FEDERAL HOME LOAN BANKS	12/9/2022	7,058,660.00	7,349,580.00	0.20
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2021	7,034,930.00	7,146,230.00	0.14
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	2,233,875.00	2,396,117.00	0.17
FEDERAL HOME LOAN BANKS	9/9/2022	6,828,560.00	7,108,516.00	0.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	4,411,710.00	4,688,055.00	0.17
FEDERAL HOME LOAN BANKS	6/10/2022	4,988,900.00	5,167,000.00	0.15
FEDERAL FARM CREDIT BANKS FUNDING CORP	3/1/2021	6,965,140.00	7,000,000.00	2.47
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	6,815,760.00	7,113,540.00	0.11
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,098,470.00	5,103,315.00	0.16
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,839,084.50	5,838,792.75	0.16
FEDERAL HOME LOAN MORTGAGE CORP	8/12/2025	4,095,490.00	4,056,417.00	0.84
FEDERAL HOME LOAN MORTGAGE CORP	9/28/2023	4,084,387.25	4,086,919.95	0.22
FEDERAL HOME LOAN MORTGAGE CORP	9/28/2023	3,999,600.00	4,001,880.00	0.22
FEDERAL HOME LOAN MORTGAGE CORP	10/13/2023	4,097,950.00	4,096,556.00	0.33
FEDERAL HOME LOAN MORTGAGE CORP	11/24/2023	2,035,000.00	2,035,752.95	0.20
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	251,800.00	254,055.00	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,610,864.00	5,690,832.00	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,677,685.00	5,741,643.00	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION	10/27/2023	6,098,475.00	6,102,013.00	0.25
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,652,771.25	5,684,939.00	0.13
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,663,313.58	5,684,939.00	0.13
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	4,745,155.00	4,753,657.50	0.22
FN 468431	7/1/2021	266,975.49	263,020.56	3.56
FN 468861	8/1/2021	598,238.19	589,375.97	3.28
FEDERAL HOME LOAN BANKS	2/12/2026	4,147,095.00	4,089,576.00	0.90
FEDERAL HOME LOAN MORTGAGE CORP	11/25/2024	2,250,000.00	2,244,600.00	0.51
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	3,856,062.80	3,862,972.20	0.22
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	3,098,399.70	3,098,244.20	0.27
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	8/1/2021	710,000.00	717,199.40	0.21
SUB-TOTAL		399,225,939.65	403,581,382.83	
MEDIUM TERM NOTES				
ADOBE INC	2/1/2023	449,383.50	461,952.00	0.32
AMAZON.COM INC	6/3/2023	2,022,165.00	2,029,333.50	0.31
AMERICAN HONDA FINANCE CORP	6/27/2022	3,796,504.00	3,891,390.00	0.39
APPLE INC	9/11/2022	589,899.70	603,280.90	0.24
APPLE INC	5/11/2023	1,475,974.40	1,492,742.80	0.36
BANK OF NEW YORK MELLON CORP	8/23/2022	1,724,448.00	1,769,246.25	0.23
BANK OF NEW YORK MELLON CORP	1/27/2023	1,099,230.00	1,130,162.00	0.35
BRISTOL-MYERS SQUIBB CO	11/13/2023	1,900,000.00	1,903,268.00	0.30

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DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,048,540.50	1,075,116.00	0.33
CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	499,770.00	513,830.00	0.34
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	1,124,370.00	1,132,751.25	0.36
CHEVRON USA INC	8/11/2023	450,000.00	450,324.00	0.40
CHEVRON CORP	5/11/2023	875,000.00	890,076.25	0.36
CITIGROUP INC	8/2/2021	1,723,295.00	1,765,330.00	0.33
JOHN DEERE CAPITAL CORP	1/10/2022	769,260.80	789,527.20	0.29
JOHN DEERE CAPITAL CORP	7/5/2023	399,672.00	403,712.00	0.30
JOHN DEERE CAPITAL CORP	10/10/2023	499,420.00	501,375.00	0.29
EXXON MOBIL CORP	3/6/2022	339,237.50	356,314.00	0.30
EXXON MOBIL CORP	3/6/2022	1,212,050.00	1,272,550.00	0.30
GOLDMAN SACHS GROUP INC	3/3/2024	440,856.00	439,092.00	0.72
GOLDMAN SACHS GROUP INC	1/27/2023	1,000,000.00	1,000,020.00	0.48
HOME DEPOT INC	3/1/2022	498,630.00	515,020.00	0.28
HONEYWELL INTERNATIONAL INC	8/8/2022	779,212.20	800,155.20	0.25
HONEYWELL INTERNATIONAL INC	8/19/2022	1,875,000.00	1,877,156.25	0.24
IBM CREDIT LLC	2/6/2023	1,057,720.00	1,052,580.00	0.29
INTERNATIONAL BUSINESS MACHINES CORP	2/12/2024	1,027,845.50	1,021,870.85	0.46
JPMORGAN CHASE & CO	4/1/2023	1,000,000.00	1,030,740.00	0.40
MERCK & CO INC	2/10/2022	1,226,775.00	1,275,062.50	0.25
MICROSOFT CORP	2/6/2022	2,049,725.70	2,128,330.60	0.27
MORGAN STANLEY	5/19/2022	496,685.00	514,640.00	0.36
MORGAN STANLEY	2/25/2023	1,063,280.00	1,064,770.00	0.49
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1/21/2022	1,099,032.00	1,113,860.00	0.35
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/8/2024	809,441.10	807,813.00	0.44
NORTHERN TRUST CORP	8/2/2022	1,012,140.00	1,028,350.00	0.39
ORACLE CORP	9/15/2021	1,187,662.00	1,234,175.25	0.30
PNC BANK NA	2/24/2023	800,000.00	810,408.00	0.43
PACCAR FINANCIAL CORP	3/1/2022	499,560.00	513,170.00	0.25
PACCAR FINANCIAL CORP	5/10/2022	999,460.00	1,028,320.00	0.29
PACCAR FINANCIAL CORP	8/11/2023	449,410.50	450,013.50	0.35
PEPSICO INC	5/1/2023	923,168.50	933,537.75	0.32
PEPSICO INC	10/7/2023	524,700.75	526,743.00	0.27
PFIZER INC	9/15/2021	873,818.75	887,407.50	0.43
PFIZER INC	3/11/2022	424,974.50	436,296.50	0.24
3M CO	3/1/2022	1,154,457.15	1,181,853.75	0.25
TOYOTA MOTOR CREDIT CORP	1/11/2022	3,686,662.50	3,822,900.00	0.37
TOYOTA MOTOR CREDIT CORP	1/11/2024	2,149,871.00	2,148,065.00	0.48
UNILEVER CAPITAL CORP	3/7/2022	1,990,320.00	2,055,360.00	0.31
U.S. BANCORP	3/15/2022	509,935.00	513,095.00	0.29
U.S. BANCORP	7/30/2024	2,662,075.00	2,650,725.00	0.57
PACCAR FINANCIAL CORP	2/2/2024	1,618,120.80	1,615,253.40	0.45
U.S. BANCORP	2/5/2024	2,107,940.00	2,163,820.00	0.49
AMERICAN HONDA FINANCE CORP	1/12/2024	1,585,215.00	1,624,155.00	0.64
PACCAR FINANCIAL CORP	2/7/2023	2,274,886.25	2,343,500.25	0.35
PACCAR FINANCIAL CORP	9/26/2022	1,498,170.00	1,540,335.00	0.30
AMERICAN HONDA FINANCE CORP	11/16/2022	2,021,300.00	2,073,960.00	0.44
BERKSHIRE HATHAWAY INC	3/15/2023	2,014,300.00	2,089,840.00	0.36
WALMART INC	6/26/2023	2,056,460.00	2,135,860.00	0.37
BANK OF AMERICA CORP	1/11/2023	3,034,740.00	3,166,740.00	0.32
WALMART INC	6/26/2023	3,083,010.00	3,203,790.00	0.37
APPLE INC	5/3/2023	1,977,040.00	2,089,440.00	0.34
BERKSHIRE HATHAWAY INC	3/15/2023	2,924,460.00	3,134,760.00	0.36
APPLE INC	2/23/2023	2,949,060.00	3,137,880.00	0.32
VISA INC	12/14/2022	1,962,480.00	2,082,460.00	0.27
BANK OF NEW YORK MELLON CORP	1/29/2023	2,944,320.00	3,142,920.00	0.35
DEERE & CO	6/8/2022	1,466,700.00	1,535,535.00	0.30
TOYOTA MOTOR CREDIT CORP	4/13/2021	2,488,525.00	2,507,875.00	0.53
ORACLE CORP	5/15/2022	3,897,640.00	4,091,560.00	0.32
GENERAL DYNAMICS CORP	5/11/2021	3,985,000.00	4,021,320.00	0.44
CHARLES SCHWAB CORP	5/21/2021	1,554,953.35	1,561,484.35	0.51
JOHN DEERE CAPITAL CORP	3/4/2021	1,344,769.75	1,355,203.25	2.10
AMERICAN EXPRESS CO	8/1/2022	3,103,260.00	3,087,240.00	0.33
ASSOCIATION OF AMERICAN MEDICAL COLLEGES	10/1/2022	2,990,000.00	3,014,547.90	1.40
TRUIST FINANCIAL CORP	6/20/2022	2,339,167.50	2,325,712.50	0.31
TRUIST FINANCIAL CORP	3/16/2023	2,947,817.00	3,053,279.50	0.41
BAYCARE HEALTH SYSTEM INC	11/15/2022	1,456,344.00	1,491,753.60	0.51
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	3,053,289.20	3,076,048.95	0.36
CREDIT SUISSE AG (NEW YORK BRANCH)	2/2/2024	2,655,000.00	2,650,619.25	0.55
GEORGIA-PACIFIC LLC	5/15/2024	3,064,049.85	3,059,237.80	0.68
HONEYWELL INTERNATIONAL INC	8/19/2022	4,015,000.00	4,019,617.25	0.24
HUNTINGTON NATIONAL BANK	8/7/2022	2,024,431.10	2,028,509.00	0.32
KEYBANK NA	11/22/2021	1,785,864.60	1,855,913.56	0.43
KEYBANK NA	11/22/2021	1,953,600.00	2,030,540.00	0.43
MASSMUTUAL GLOBAL FUNDING II	6/9/2023	3,982,648.85	4,025,128.95	0.41
NATIONAL SECURITIES CLEARING CORP	4/23/2023	3,162,024.90	3,218,678.40	0.41
NEW YORK LIFE GLOBAL FUNDING	5/5/2023	2,084,562.15	2,116,629.45	0.40
PACIFIC LIFE GLOBAL FUNDING II	9/23/2023	2,022,468.75	2,028,240.00	0.44
PROTECTIVE LIFE GLOBAL FUNDING	6/9/2023	3,500,000.00	3,555,055.00	0.39
TOYOTA MOTOR CREDIT CORP	1/11/2024	2,544,847.30	2,542,709.50	0.48
VIRGINIA ELECTRIC AND POWER CO	3/15/2023	2,087,580.00	2,084,760.00	0.39
WELLS FARGO & CO	7/22/2022	1,551,524.80	1,568,032.00	0.37
WELLS FARGO & CO	7/22/2022	3,959,048.01	4,007,766.00	0.37
ADOBE INC	2/1/2023	1,103,486.15	1,134,348.80	0.32
AMERICAN EXPRESS CO	5/20/2022	1,558,128.00	1,603,227.60	0.33
AMERIPRISE FINANCIAL INC	3/22/2022	1,535,888.20	1,583,674.40	0.35
AMERIPRISE FINANCIAL INC	3/22/2022	119,877.60	123,403.20	0.35
APPLE INC	1/13/2023	647,825.00	648,731.25	0.28
APPLE INC	9/11/2022	1,874,681.25	1,917,206.25	0.24
APPLE INC	5/11/2023	1,441,069.60	1,457,441.45	0.36
TRUIST FINANCIAL CORP	6/20/2022	2,048,120.00	2,067,300.00	0.31
TRUIST FINANCIAL CORP	3/16/2023	1,943,560.70	2,013,094.45	0.41
BANK OF AMERICA CORP	5/17/2022	1,075,000.00	1,082,127.25	0.54
BANK OF NEW YORK MELLON CORP	4/28/2023	1,352,323.95	1,386,942.30	0.37
BANK OF NEW YORK MELLON CORP	1/27/2023	2,228,439.00	2,291,146.60	0.35
BRISTOL-MYERS SQUIBB CO	11/13/2023	880,000.00	881,513.60	0.30
CATERPILLAR FINANCIAL SERVICES CORP	11/29/2022	859,078.00	883,167.00	0.32
CATERPILLAR FINANCIAL SERVICES CORP	9/7/2021	1,713,679.45	1,740,673.55	0.32
CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,353,116.55	1,387,411.60	0.33
CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	1,469,323.80	1,510,660.20	0.34
CHEVRON CORP	5/11/2023	455,000.00	462,839.65	0.36
CISCO SYSTEMS INC (PRE-MERGER)	9/20/2021	1,894,243.00	1,913,851.00	0.34
CITIGROUP INC	12/8/2021	1,012,830.00	1,018,260.00	0.29
CITIZENS BANK NA	5/13/2021	1,493,725.00	1,493,948.50	0.52
COMERICA INC	7/31/2023	2,120,020.00	2,149,800.00	0.48
CONSUMERS ENERGY CO	6/1/2023	579,802.80	579,721.60	0.37
JOHN DEERE CAPITAL CORP	6/13/2022	1,438,142.40	1,471,536.00	0.26
JOHN DEERE CAPITAL CORP	4/6/2023	519,875.20	529,318.40	0.35
DUKE ENERGY CAROLINAS LLC	3/15/2023	2,502,051.75	2,568,604.50	0.48

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ERP OPERATING LP	4/15/2023	1,933,786.40	1,933,086.82	0.34
ENTERGY LOUISIANA LLC	11/17/2023	759,863.20	761,558.00	0.34
ENTERGY LOUISIANA LLC	11/17/2023	740,355.20	741,517.00	0.34
FIFTH THIRD BANK NA (OHIO)	1/30/2023	1,473,761.00	1,516,875.25	0.26
HONEYWELL INTERNATIONAL INC	8/8/2022	1,018,969.80	1,046,356.80	0.25
HUNTINGTON NATIONAL BANK	2/3/2023	1,568,681.20	1,611,385.20	0.37
KEYBANK NA	3/7/2023	694,840.24	708,474.12	0.38
KEYBANK NA	3/7/2023	311,595.00	318,177.00	0.38
KEYBANK NA	3/7/2023	150,524.50	153,785.55	0.38
KEYBANK NA	3/7/2023	821,620.13	834,684.33	0.38
MORGAN STANLEY	5/19/2022	1,912,255.00	1,955,632.00	0.36
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	4/25/2022	1,208,052.00	1,226,400.00	0.36
NIKE INC	3/27/2025	134,816.40	142,879.95	0.91
PNC BANK NA	7/22/2022	1,925,000.00	1,939,899.50	0.32
PNC BANK NA	2/24/2023	315,000.00	319,098.15	0.43
PACCAR FINANCIAL CORP	9/26/2022	714,127.70	734,226.35	0.30
PACCAR FINANCIAL CORP	2/7/2023	1,999,900.00	2,060,220.00	0.35
PRECISION CASTPARTS CORP	1/15/2023	1,965,015.00	2,016,963.00	0.39
TRUIST BANK	5/17/2022	1,978,990.20	2,035,895.40	0.32
US BANK NA	1/21/2022	804,718.25	815,215.45	0.25
WALMART INC	12/15/2022	1,323,622.40	1,325,619.20	0.27
WELLS FARGO BANK NA	10/22/2021	1,789,803.06	1,823,294.00	0.35
SUB-TOTAL		222,106,840.79	226,672,713.88	
<u>MORTGAGE AND ASSET-BACK SECURITIES</u>				
ALLYA 2019-1 A3	9/15/2023	1,002,535.29	1,018,438.22	0.76
COMET 2019-2 A	9/15/2022	2,749,307.55	2,809,950.00	0.31
COPAR 2019-1 A3	11/15/2023	814,163.20	826,779.26	0.65
CARMX 2020-4 A3	8/15/2025	474,895.45	476,182.75	0.40
CARMX 2021-1 A3	12/15/2025	649,871.56	648,940.50	0.40
DCENT 2019-3 A	10/15/2024	999,785.20	1,026,810.00	0.25
FNA 2012-M5 A2	2/25/2022	603,645.06	613,108.25	1.06
FNA 2013-M1 A2	8/25/2022	835,225.13	845,133.74	0.30
FNA 2013-M7 A2	12/25/2022	716,928.69	726,764.42	0.14
FHMS K-018 A2	1/25/2022	3,168,010.14	3,239,367.15	0.31
FHMS K-019 A2	3/25/2022	2,343,688.84	2,416,348.94	0.25
FHMS K-020 A1	1/25/2022	76,965.45	78,949.12	0.38
FHMS K-022 A2	7/25/2022	1,204,406.25	1,229,724.00	0.35
FHMS K-023 A1	4/25/2022	353,003.84	364,228.08	0.27
FHMS K-023 A2	8/25/2022	1,775,839.84	1,796,532.50	0.32
FHMS K-026 A2	11/25/2022	3,462,687.50	3,509,718.00	0.43
FHMS K-026 A2	11/25/2022	510,800.78	516,135.00	0.43
FHMS K-029 A1	10/25/2022	239,300.88	242,921.39	0.19
FHMS K-029 A1	10/25/2022	437,178.96	444,350.00	0.19
FHMS K-034 A1	2/25/2023	775,217.06	796,533.89	0.25
FHMS K-035 A1	3/25/2023	653,143.48	670,239.66	0.24
FHMS K-717 A2	9/25/2021	767,798.26	774,525.64	0.30
FHMS K-720 A2	6/25/2022	2,196,304.69	2,252,756.00	0.38
FHMS K-720 A2	6/25/2022	1,005,312.50	1,023,980.00	0.38
FHMS K-P05 A	7/25/2023	228,840.16	234,236.91	0.96
FHMS K-J27 A1	7/25/2024	995,817.42	1,028,644.33	0.43
FITAT 2019-1 A3	12/15/2023	521,911.75	530,196.21	0.59
FORDL 2019-A A3	5/15/2022	312,024.21	313,162.63	0.01
FORDO 2021-A A3	8/15/2025	859,927.50	859,140.00	0.34
GMCAR 2019-1 A3	11/16/2023	1,427,399.13	1,448,271.02	0.23
GMCAR 2020-3 A3	4/16/2025	899,794.08	902,628.00	0.31
GMCAR 2020-4 A3	8/18/2025	424,909.18	424,966.00	0.38
GMALT 2021-1 A3	2/20/2024	1,084,888.90	1,084,197.10	0.31
GMALT 2019-3 A3	6/20/2022	633,169.24	637,222.16	0.09
HDMOT 2020-A A3	10/15/2024	874,809.16	890,172.50	0.47
HAROT 2018-4 A3	1/15/2023	631,690.25	640,996.12	0.61
HAROT 2018-3 A3	8/22/2022	566,232.57	571,735.52	0.71
HALST 2021-A A3	1/16/2024	494,938.22	495,410.85	0.28
HART 2019-A A3	6/15/2023	367,410.48	372,500.37	0.58
MBALT 2020-B A3	11/15/2023	259,986.82	260,533.00	0.25
MBART 2020-1 A3	2/18/2025	624,951.19	627,662.50	0.32
MBART 2018-1 A3	1/15/2023	598,960.72	604,458.43	0.89
MBALT 2019-A A3	11/15/2021	292,198.78	293,133.64	-0.27
NALT 2019-B A3	7/15/2022	495,112.73	498,126.55	0.14
NAROT 2018-C A3	6/15/2023	628,939.14	639,804.01	0.62
NAROT 2020-B A3	7/15/2024	1,149,968.49	1,154,968.00	0.27
NAROT 2018-B A3	3/15/2023	806,771.00	817,656.63	0.65
NAROT 2019-C A3	7/15/2024	899,952.48	917,181.00	0.52
NAROT 2019-A A3	10/16/2023	1,969,768.41	2,004,818.86	0.61
NALT 2019-A A3	3/15/2022	136,061.69	136,839.01	-0.32
TAOT 2018-D A3	3/15/2023	673,944.55	683,473.69	0.41
TAOT 2018-B A3	9/15/2022	528,154.91	532,646.88	0.43
TAOT 2019-C A3	9/15/2023	1,099,990.98	1,115,147.00	0.40
VZOT 2020-B A	2/20/2025	799,832.00	802,920.00	0.27
VZOT 2019-C A1A	4/22/2024	1,424,890.13	1,451,277.00	0.31
VZOT 2020-A A1A	7/22/2024	999,882.90	1,021,880.00	0.29
VWALT 2019-A A3	11/21/2022	899,985.78	910,836.00	0.08
VALET 2018-2 A3	4/20/2023	1,386,056.81	1,405,797.86	0.10
WOART 2020-B A3	5/15/2025	999,921.60	1,004,700.00	0.40
TAOT 2021-A A3	5/15/2025	3,699,313.28	3,696,448.00	0.30
TAOT 2020-D A3	1/15/2025	1,689,685.15	1,691,994.20	0.29
JDOT 2020 A3	8/15/2024	2,124,870.16	2,145,166.25	0.47
HAROT 2020-1 A3	4/22/2024	2,939,423.76	2,995,948.20	0.37
MBALT 2020-A A3	12/15/2022	1,409,814.16	1,426,948.20	0.13
NAROT 2019-C A3	7/15/2024	2,954,843.98	3,011,410.95	0.52
HAROT 2019-3 A3	8/15/2023	2,764,977.05	2,802,299.85	0.43
JDOT 2019-B A3	12/15/2023	1,424,697.47	1,447,044.75	0.32
BACCT 2018-2 A	9/15/2023	3,056,678.52	3,020,053.40	0.55
BACCT 2018-2 A	9/15/2023	1,086,593.36	1,073,573.80	0.55
BMWLT 2019-1 A4	8/22/2022	4,789,968.75	4,761,335.25	0.14
CNH 2020-A A2	7/17/2023	654,349.71	656,453.10	0.39
CARMX 2019-3 A2A	12/15/2022	476,670.51	478,322.20	0.51
CARMX 2020-1 A3	12/16/2024	1,024,798.90	1,047,570.50	0.66
FH G12952	12/1/2022	104,450.69	103,790.88	0.80
FH G18303	3/1/2024	322,179.72	0.01	-0.20
FNR 2012-50 VA	7/25/2023	139,064.61	135,591.31	0.19
FNA 2012-M9 A2	4/25/2022	312,820.34	315,653.72	0.40
FNA 2012-M9 A2	4/25/2022	64,457.44	65,043.80	0.40
FNA 2012-M17 A2	11/25/2022	389,056.34	412,764.05	0.32
FNR 2013-136 CV	6/25/2023	294,974.99	291,357.20	-0.02
FHMS K-015 A2	7/25/2021	473,856.92	476,417.36	0.42
FHMS K-015 A2	7/25/2021	129,601.50	128,266.21	0.42
FHMS 2011-K016 A2	10/25/2021	2,073,506.25	2,104,193.00	0.31
FHMS 2011-K016 A2	10/25/2021	598,522.67	595,958.80	0.31

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DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
FHMS K-020 A2	5/25/2022	487,851.56	508,825.00	0.61
FHMS K-020 A2	5/25/2022	97,562.50	101,765.00	0.61
FHMS K-020 A2	5/25/2022	194,437.50	203,530.00	0.61
FHMS K-021 A2	6/25/2022	979,257.81	1,023,140.00	0.33
FHMS K-023 A1	4/25/2022	35,152.05	36,422.81	0.27
FHMS K-023 A1	4/25/2022	171,905.72	175,740.05	0.27
FHMS K-025 A1	4/25/2022	117,714.03	119,395.32	0.46
FHMS K-025 A2	10/25/2022	500,603.91	505,640.80	0.52
FHMS K-025 A2	10/25/2022	3,611,499.61	3,647,837.20	0.52
FHMS K-S01 A2	1/25/2023	219,954.87	231,370.17	0.41
FHMS K-027 A1	9/25/2022	36,224.06	37,560.59	0.26
FHMS K-027 A2	1/25/2023	2,101,558.59	2,182,005.00	0.32
FHMS K-027 A2	1/25/2023	1,875,366.21	1,948,218.75	0.32
FHR 4285 BA	12/15/2023	554,557.85	553,729.29	0.72
FHMS K-041 A1	8/25/2024	2,004,142.01	1,994,240.96	0.37
FHMS K-046 A1	1/25/2025	670,642.73	671,809.91	0.18
FHMS K-047 A1	12/25/2024	750,864.14	769,120.17	0.21
FHMS K-050 A1	1/25/2025	2,892,426.56	2,882,340.68	0.11
FN AM0359	8/1/2022	2,666,997.27	2,691,191.71	1.21
FN AM1568	12/1/2022	1,376,217.93	1,411,761.66	2.45
FN AM1568	12/1/2022	1,404,249.96	1,411,761.66	2.45
FN AM1999	7/1/2021	2,174,545.10	2,234,781.32	1.74
FN AN0429	1/1/2025	991,778.33	986,284.00	0.91
FNR 0338C MP	5/25/2023	197,645.85	197,578.07	0.90
FNR 0338C MP	5/25/2023	217,553.72	216,957.04	0.90
FNR 0333J LB	5/25/2023	123,026.31	122,834.93	1.31
FNR 0364L HQ	7/25/2023	131,260.52	131,882.57	0.90
FHR 2666 OD	8/15/2023	122,953.87	123,706.93	0.90
FHR 2666 OD	8/15/2023	127,925.01	128,495.58	0.90
FHR 2756 KA	2/15/2024	484,930.88	480,345.87	1.25
FNR 2008-45 DB	6/25/2023	207,672.42	207,827.90	0.80
FN BM6007	5/1/2023	559,513.93	551,738.92	1.11
FORDF 2017-3 A	9/15/2022	776,132.81	775,042.50	0.32
FORDF 2020-1 A1	9/15/2025	1,007,617.19	1,005,650.00	0.48
GMALT 2020-2 B	7/22/2024	4,078,992.65	4,165,435.20	0.36
JDOT 2019-B A2	5/16/2022	22,540.97	22,565.40	0.23
JDOT 2019-B A2	5/16/2022	4,106.06	4,102.80	0.23
MMAF 20B A3	8/14/2025	3,469,950.38	3,465,836.00	0.55
MMAF 20A A2	4/9/2024	1,669,844.69	1,677,297.90	0.17
NAROT 2017-C A3	4/18/2022	7,905.81	7,919.24	0.28
NAROT 2017-C A3	4/18/2022	4,953.39	5,039.52	0.28
PFSFC 2019-A A2	4/15/2024	517,893.52	516,867.71	0.43
PFSFC 20B A	6/17/2024	1,564,789.51	1,581,886.35	0.38
PFSFC 20E A	10/15/2025	302,156.25	302,169.00	0.72
PFSFC 20E A	10/15/2025	1,007,421.87	1,007,230.00	0.72
SCART 20A A	10/15/2024	1,891,101.98	1,908,466.86	0.51
TFET 191 A3	4/24/2023	1,974,661.88	1,999,924.50	0.51
COPAR 2020-1 A3	11/15/2024	2,129,547.16	2,164,122.60	0.64
DRIVE 2020-2 A3	5/15/2024	629,975.93	633,036.60	0.34
FNA 2011-M5 A2	7/25/2021	188,419.15	183,519.11	-0.13
FHMS K-020 A2	5/25/2022	2,714,871.09	2,747,655.00	0.61
FHMS K-SMC A2	1/25/2023	1,483,888.67	1,551,522.10	0.36
FHMS K-SMC A2	1/25/2023	2,030,198.44	2,124,231.60	0.36
FHMS K-SMC A2	1/25/2023	410,500.00	416,516.00	0.36
FHMS K-717 A2	9/25/2021	1,598,912.91	1,597,459.13	0.30
FHMS K-724 A1	3/25/2023	921,700.23	944,201.48	0.43
FHMS K-J33 A1	12/25/2025	1,449,953.60	1,443,170.50	0.57
FHMS K-727 A2	7/25/2024	4,493,337.89	4,458,147.00	0.72
FHMS K-J23 A2	12/25/2022	1,235,138.97	1,245,840.88	1.08
FHMS K-J30 A1	1/25/2025	1,592,037.64	1,588,692.71	0.59
HDMOT 2019-A A3	2/15/2024	3,753,921.23	3,803,467.06	0.54
HAROT 2019-3 A3	8/15/2023	1,809,984.98	1,834,416.90	0.43
JDOT 2019 A3	7/17/2023	1,379,076.10	1,401,975.57	0.64
JDOT 2020 A3	8/15/2024	2,799,828.92	2,826,572.00	0.47
MBALT 2020-A A3	12/15/2022	1,029,864.25	1,042,380.60	0.13
SDART 2020-2 A3	4/15/2024	859,901.01	862,416.60	0.33
SDART 2020-3	7/15/2024	2,469,763.87	2,475,606.90	0.32
SDART 2021-1 A3	9/16/2024	2,949,875.51	2,948,672.50	0.35
TAOT 2018-A A3	5/16/2022	0.00	0.00	0.34
TAOT 2019-C A3	9/15/2023	1,829,984.99	1,855,199.10	0.40
VWALT 2019-A A3	11/21/2022	849,986.57	860,234.00	0.08
SUB-TOTAL		176,813,016.03	178,493,690.04	

Municipal Debt

CALIFORNIA EARTHQUAKE AUTH REV	7/1/2022	815,000.00	826,450.75	0.28
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2022	625,000.00	625,325.00	0.32
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2023	230,000.00	229,919.50	0.43
CALIFORNIA ST UNIV REV	11/1/2023	1,000,000.00	1,001,630.00	0.41
CONNECTICUT ST	7/1/2023	226,343.25	233,797.50	0.33
FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	1,025,000.00	1,040,416.00	0.90
LOS ANGELES CALIF CMNTY COLLEGE DIST	8/1/2023	760,000.00	761,611.20	0.36
MARYLAND ST	8/1/2023	2,125,000.00	2,133,393.75	0.25
MISSISSIPPI ST	11/1/2023	925,000.00	927,173.75	0.33
NEW JERSEY ST TPK AUTH TPK REV	1/1/2025	850,000.00	847,441.50	0.98
NEW YORK ST URBAN DEV CORP REV	3/15/2023	915,000.00	910,351.80	0.73
NEW YORK ST URBAN DEV CORP REV	3/15/2024	2,790,000.00	2,765,922.30	0.91
PORT AUTH N Y & N J	7/1/2023	1,125,000.00	1,142,763.75	0.41
PORT AUTH N Y & N J	7/1/2023	1,101,416.70	1,112,290.05	0.41
NEW YORK ST	2/15/2024	3,000,000.00	3,142,230.00	0.40
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	2,865,000.00	2,918,718.75	0.41
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,105,500.00	1,120,625.00	0.41
CALIFORNIA HEALTH FACS FING AUTH REV	6/1/2021	2,140,000.00	2,148,902.40	0.32
CALIFORNIA ST	4/1/2024	3,239,373.40	3,321,742.90	0.50
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2024	2,120,000.00	2,117,032.00	0.60
CHAFFEY CMNTY COLLEGE DIST CALIF	6/1/2022	715,000.00	725,939.50	0.39
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2022	1,000,000.00	1,018,600.00	0.35
COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/12/2024	4,332,008.85	4,335,260.10	0.37
EL CAJON CALIF	4/1/2023	610,000.00	610,036.60	0.65
EL CAJON CALIF	4/1/2024	540,000.00	538,687.80	1.01
EL DORADO CALIF IRR DIST REV	3/1/2023	720,000.00	726,048.00	0.45
EL DORADO CALIF IRR DIST REV	3/1/2024	720,000.00	729,367.20	0.64
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2022	715,000.00	726,161.15	0.65
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000.00	739,810.50	0.95
LOS ANGELES CALIF DEPT ARPTS ARPT REV	5/15/2021	1,006,380.00	1,004,070.00	0.43
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	900,000.00	902,997.00	0.32
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2023	720,000.00	724,701.60	0.41
LOS ANGELES CNTY CALIF PUB WKS FING AUTH LEASE REV	12/1/2021	1,537,050.00	1,531,995.00	0.38
MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	10/15/2022	1,800,000.00	1,846,476.00	0.38
MASSACHUSETTS ST WTR RES AUTH IAM COMPL PAPER NTS 3	8/1/2023	2,365,000.00	2,442,524.70	0.42
MISSISSIPPI ST	11/1/2023	4,540,000.00	4,550,669.00	0.33

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OHIO ST SPL OBLIG	10/1/2023	1,180,000.00	1,185,569.60	0.38
OHLONE CALIF CMNTY COLLEGE DIST	8/1/2022	800,000.00	816,048.00	0.29
PASADENA CALIF PUB FING AUTH LEASE REV	12/1/2021	400,000.00	408,364.00	0.49
PENNSYLVANIA ST TPK COMMN TPK REV	12/1/2021	876,767.50	887,757.50	0.36
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2023	865,000.00	864,083.10	0.46
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2021	480,000.00	485,918.40	0.50
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2022	400,000.00	410,832.00	0.61
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2022	2,420,000.00	2,459,809.00	0.56
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2022	1,500,000.00	1,535,400.00	0.28
SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	1,440,000.00	1,444,060.80	0.50
SAN FRANCISCO CALIF BAY AREA RAPID TRAN DIST SALES	7/1/2022	1,484,761.60	1,504,150.40	0.29
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,138,837.50	2,186,980.20	0.52
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2023	1,635,140.00	1,695,878.50	0.72
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2021	290,000.00	290,640.90	0.17
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2022	430,000.00	433,031.50	0.23
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2023	430,000.00	431,741.50	0.34
TEXAS ST	10/1/2022	2,335,000.00	2,387,444.10	0.21
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2021	1,201,003.20	1,218,462.75	0.32
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2023	2,590,000.00	2,607,042.20	0.41
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2024	2,625,000.00	2,646,472.50	0.59
UTAH HSG CORP SINGLE FAMILY MTG REV	1/1/2022	1,300,000.00	1,315,756.00	0.66
UTAH HSG CORP SINGLE FAMILY MTG REV	7/1/2022	545,000.00	555,017.10	0.78
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2022	560,000.00	563,740.80	0.45
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	720,000.00	729,784.80	0.54
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	722,793.60	729,784.80	0.54
ALAMEDA CNTY CALIF JT PWRS AUTH LEASE REV	6/1/2022	1,275,187.50	1,292,300.00	0.31
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	3,700,000.00	3,835,383.00	0.43
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,534,485.00	1,528,125.00	0.41
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	790,000.00	818,052.90	0.53
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	365,000.00	374,329.40	0.38
CALIFORNIA ST	3/1/2022	1,802,064.00	1,701,909.00	0.51
CALIFORNIA ST	4/1/2021	3,000,120.00	3,006,450.00	0.58
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	597,068.67	581,553.28	0.56
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	333,842.71	337,300.85	0.56
CALIFORNIA ST UNIV REV	11/1/2023	1,090,000.00	1,091,776.70	0.41
CALIFORNIA STATEWIDE CMNTYS DEV AUTH REV	2/1/2023	875,000.00	875,061.25	0.34
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2021	1,000,000.00	1,006,220.00	0.26
LOS ALTOS CALIF SCH DIST	8/1/2023	2,790,000.00	2,801,104.20	-2.17
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	1,019,560.00	1,044,320.00	0.34
MASSACHUSETTS (COMMONWEALTH OF)	5/1/2022	1,186,968.00	1,171,486.80	0.29
OAKLAND-ALAMEDA CNTY CALIF COLISEUM AUTH LEASE REV	2/1/2023	1,058,440.00	1,052,880.00	0.58
PALM DESERT CALIF REDEV AGY SUCCESSOR AGY TAX ALLO	10/1/2022	1,114,074.90	1,131,452.55	0.65
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2024	1,410,000.00	1,407,137.70	0.69
RIVERSIDE CALIF UNI SCH DIST	2/1/2022	750,000.00	760,357.50	0.32
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2023	1,375,000.00	1,422,396.25	0.60
SACRAMENTO CNTY CALIF SANTN DIST FING AUTH REV	12/1/2023	1,500,000.00	1,507,845.00	0.57
SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	890,000.00	901,338.60	0.57
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2021	1,285,000.00	1,294,277.70	0.26
SAN DIEGO CALIF PUB FACS FING AUTH LEASE REV	10/15/2021	1,325,000.00	1,346,306.00	0.46
SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	11/1/2022	630,000.00	647,501.40	0.29
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2021	2,800,000.00	2,812,488.00	0.45
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,350,000.00	2,419,301.50	0.54
SANTA BARBARA CNTY CALIF SOLID WASTE SYS REV CTFS	12/1/2021	375,000.00	382,965.00	0.51
SEMITROPIC IMPT DIST SEMITROPIC WTR STORAGE DIST C	12/1/2022	1,637,622.60	1,627,652.80	0.45
SOUTHERN CALIF PUB PWR AUTH PWR PROJ REV	7/1/2023	2,735,000.00	2,739,594.80	0.46
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2022	1,577,512.50	1,579,264.00	0.33
UNIVERSITY CALIF REVS	5/15/2021	860,000.00	863,345.40	0.34
UNIVERSITY CALIF REVS	5/15/2022	1,926,739.20	1,989,100.80	0.32
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2022	2,460,000.00	2,469,126.60	0.27
VALLEJO CALIF WTR REV	5/1/2023	840,000.00	853,759.20	0.71
SUB-TOTAL		131,546,060.69	132,948,315.67	
<i>Variable & Floating Rate</i>				
BANK OF AMERICA CORP	3/5/2024	1,064,260.00	1,060,220.00	0.56
BANK OF AMERICA CORP	5/19/2024	1,425,000.00	1,456,008.00	0.50
CARMX 2020-3 A3	3/17/2025	774,867.17	779,177.25	0.34
CITIGROUP INC	10/30/2024	2,500,000.00	2,511,525.00	0.60
CITIGROUP INC	11/4/2022	600,000.00	607,200.00	0.56
GMALT 2020-3 A3	8/21/2023	624,940.13	626,881.25	0.19
GMCAR 2021-1 A3	10/16/2025	369,941.10	370,196.10	0.33
GOLDMAN SACHS GROUP INC	11/17/2023	1,675,000.00	1,679,589.50	0.47
JPMORGAN CHASE & CO	6/1/2024	1,575,000.00	1,611,414.00	0.76
JPMORGAN CHASE & CO	9/16/2024	300,000.00	301,707.00	0.63
JPMORGAN CHASE & CO	2/16/2025	815,000.00	812,318.65	0.65
MORGAN STANLEY	1/25/2024	1,535,000.00	1,535,198.55	0.50
NALT 2020-B A3	10/16/2023	424,956.27	426,100.75	0.24
BANK OF AMERICA CORP	12/20/2023	2,879,411.20	2,860,669.60	0.56
BANK OF AMERICA CORP	10/24/2024	2,256,637.50	2,265,480.00	0.55
BANK OF AMERICA CORP	10/24/2024	802,424.00	805,504.00	0.55
CITIGROUP INC	11/4/2022	3,140,000.00	3,177,680.00	0.56
FNA 2014-M6 A2	5/25/2021	54,455.83	55,289.77	0.91
FN AL3382	3/1/2023	731,071.17	739,797.04	1.13
GOLDMAN SACHS GROUP INC	11/17/2023	3,560,000.00	3,569,754.40	0.47
GOLDMAN SACHS GROUP INC	11/17/2023	3,604,680.00	3,609,864.00	0.47
JPMORGAN CHASE & CO	12/5/2024	964,932.50	957,145.00	0.61
JPMORGAN CHASE & CO	12/5/2024	3,132,832.40	3,106,619.20	0.61
JPMORGAN CHASE & CO	12/5/2024	3,961,872.00	3,937,968.00	0.61
KEYBANK NA	2/1/2022	4,180,000.00	4,202,948.20	0.28
MORGAN STANLEY	11/10/2023	5,725,000.00	5,731,011.25	0.49
MORGAN STANLEY	11/10/2023	1,801,008.00	1,801,890.00	0.49
PNC BANK NA	2/24/2023	4,045,000.00	4,056,245.10	0.23
STATE STREET CORP	3/30/2023	1,750,000.00	1,798,335.00	0.30
BANK OF AMERICA CORP	10/24/2024	2,155,000.00	2,169,826.40	0.55
CITIGROUP INC	10/30/2024	2,065,000.00	2,074,519.65	0.60
CITIBANK NA	5/20/2022	298,510.50	296,548.75	0.59
CITIBANK NA	5/20/2022	1,319,576.85	1,311,851.25	0.59
FNA 2014-M8 A2	6/25/2024	2,060,642.26	2,031,128.89	0.61
FNA 2018-M5 A2	9/25/2021	187,787.30	185,555.52	0.72
FHMS K-029 A2	2/25/2023	1,078,080.08	1,080,119.80	0.62
FHMS K-029 A2	2/25/2023	1,716,426.56	1,719,802.40	0.62
FHMS K-029 A2	2/25/2023	820,581.64	828,441.40	0.62
FHMS K-029 A2	2/25/2023	1,797,539.45	1,772,235.40	0.62
FHMS K-031 A2	4/25/2023	3,771,482.81	3,751,798.20	0.35
FHMS K-032 A2	5/25/2023	3,805,596.09	3,972,702.80	0.37
FHMS K-033 A2	7/25/2023	3,809,798.44	3,840,612.60	0.42
FHMS K-105 A	7/25/2024	1,204,301.30	1,206,420.87	0.30
FIRST REPUBLIC BANK	2/12/2024	500,000.00	513,350.00	0.54
GOLDMAN SACHS GROUP INC	10/31/2022	1,573,456.50	1,582,119.00	0.32
JPMORGAN CHASE & CO	9/16/2024	1,160,000.00	1,166,600.40	0.63
JPMORGAN CHASE & CO	2/16/2025	915,000.00	911,989.65	0.65
KEYBANK NA	11/22/2021	1,570,646.00	1,558,618.00	0.26

**Orange County Transportation Authority
Portfolio Listing
As of February 28, 2021**

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
KEYBANK NA	1/3/2024	1,450,000.00	1,452,943.50	0.31
MORGAN STANLEY	10/21/2025	615,000.00	614,907.75	0.84
MORGAN STANLEY	11/10/2023	1,160,000.00	1,161,218.00	0.49
MORGAN STANLEY	1/25/2024	1,840,000.00	1,840,239.20	0.50
PNC BANK NA	12/9/2022	1,640,000.00	1,661,369.20	0.37
WELLS FARGO BANK NA	9/9/2022	1,990,000.00	2,008,148.80	0.38
SUB-TOTAL		96,777,715.06	97,166,805.05	
<i>Supranationals</i>				
INTER-AMERICAN DEVELOPMENT BANK	5/24/2023	2,599,116.00	2,615,704.00	0.23
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	11/24/2023	2,644,302.50	2,641,626.00	0.37
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	3/19/2024	5,349,700.00	5,314,600.00	0.43
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	11/24/2023	3,043,442.50	3,040,362.00	0.37
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,934,593.40	1,963,697.80	0.21
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,177,726.00	1,195,515.50	0.21
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	811,863.00	824,142.60	0.21
INTER-AMERICAN DEVELOPMENT BANK	9/14/2022	10,484,250.00	10,750,845.00	0.21
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	6/19/2023	2,889,102.00	2,955,136.50	0.27
SUB-TOTAL		30,934,095.40	31,301,629.40	
SHORT-TERM PORTFOLIO - TOTAL		\$ 1,624,523,237.88	\$ 1,637,905,735.26	
BOND PROCEEDS PORTFOLIO				
<u>GUARANTEED INVESTMENT CONTRACT (GIC)</u>				
<u>THE BANK OF NOVA SCOTIA</u>	4/1/2021	33,700,000.00	33,700,000.00	3.01%
BNY MELLON-MONEY MARKET FUND	N/A	137,313,559.12	137,313,559.12	0.06%
BOND PROCEEDS PORTFOLIO-TOTAL		\$ 171,013,559.12	\$ 171,013,559.12	
DEBT SERVICE RESERVE FUNDS				
<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>REQUIRED AMOUNT</u>	<u>YIELD</u>
<u>91 EXPRESS LANES 2013 BONDS</u>	2030		10,799,437.46	
US BANK COMMERCIAL PAPER	4/7/2021	11,485,442.30		0.12%
FIRST AMERICAN TREAS OBLIGATIONS	N/A	477.75		0.01%
<u>91 EXPRESS LANES 2013 BONDS - OPERATING & 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%
DEBT SERVICE RESERVE FUNDS - TOTAL		\$ 25,290,326.55		
TOTAL PORTFOLIO				
		Book Value	Market Value	
		\$ 2,027,541,533.97	\$ 2,040,924,031.35	



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Amendment to Agreement for Financial Advisory Services

Finance and Administration Committee Meeting of March 24, 2021

Present: Directors Goodell, Harper, Hennessey, Hernandez, Jones, and Muller

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-7-2137 between the Orange County Transportation Authority and Sperry Capital, Inc., to exercise the option term of the agreement, to extend the term through April 30, 2023 and increase the amount by \$400,000, for a total contract value of \$1,065,000, to provide continued financial advisory services.



March 24, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Financial Advisory Services

Overview

On April 23, 2018, the Orange County Transportation Authority Board of Directors approved an agreement with Sperry Capital, Inc., to provide financial advisory services for a three-year initial term and one, two-year option term. Board of Directors' approval is requested to exercise the option term effective May 1, 2021 through April 30, 2023.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-7-2137 between the Orange County Transportation Authority and Sperry Capital, Inc., to exercise the option term of the agreement, to extend the term through April 30, 2023 and increase the amount by \$400,000, for a total contract value of \$1,065,000, to provide continued financial advisory services.

Discussion

The Orange County Transportation Authority (OCTA) utilizes the services of a financial advisory firm to perform financial advisory services in connection with OCTA's debt program such as making recommendations and performing activities related to the issuance of new debt and assisting with OCTA's Investor Relations Program. OCTA's financial advisor is responsible for providing analysis, consultation, and support for financial, investment, and other related matters affecting capital and operating financial strategies.

Over the past decade, OCTA has evolved into a large and sophisticated issuer of municipal debt instruments with around \$990 million of debt outstanding. As a result, OCTA is one of the highest rated sales tax issuers in California and has one of the highest single-asset toll road ratings in the nation for the 91 Express Lanes.

Over the next two years, OCTA's financial advisor will assist with the restructuring or renewal of OCTA's line of credit (required under the Transportation Infrastructure Finance and Innovation Act [TIFIA] loan agreement), the evaluation process for OCTA's underwriter pool (current pool expires in October 2021), and the issuance of new debt to assist with the implementation of capital and operating financial strategies.

Additionally, OCTA's financial advisor will assist with the financial reporting requirements of the TIFIA loan. OCTA is required to provide an updated financial model and report each year to the Build America Bureau and the Federal Highway Administration for the loan.

OCTA's financial advisor will also be responsible for assisting staff with the Investor Relations Program (IRP). The IRP includes annual meetings with investors, liquidity providers, and rating agencies. OCTA provides comprehensive presentations during these meetings.

Sperry Capital, Inc. (Sperry) has performed its obligations well, providing services under the scope of work to support and advance OCTA's goals. In order to continue these services, and based on consultant's performance, staff recommends the Board of Directors (Board) approve an amendment to exercise the option term.

Procurement Approach

The procurement was handled in accordance with OCTA's Board-approved procedures for professional services that conform to both federal and state laws. The original agreement was awarded on a competitive basis and includes a three-year initial term for \$495,500, and one, two-year option term. The initial term of the agreement expires on April 30, 2021.

The agreement has been amended one time for a budget increase. The amendment is further described in Attachment A. The proposed Amendment No. 2 is to exercise the option term of the agreement through April 30, 2023. The budget for this amendment is \$400,000, based on the firm's hourly rates and anticipated usage for services on an as-needed basis, bringing the total contract value to \$1,065,000. An annual hourly rate escalation was negotiated in the original contract. However, OCTA was able to negotiate with Sperry to hold its initial term rates for the option term resulting in an approximate cost savings of \$20,250. Exercising the option term will allow OCTA continued assistance with addressing various financial impacts and decisions over the next two years.

Fiscal Impact

The financial advisory services were approved in OCTA's Fiscal Year 2020-21 Budget and will be funded through the M2 Fund (0017-7519-M0201-GRV), 91 Express Lanes Fund (0036-7519-B0001-AHA), and 405 Express Lanes Fund (0037-7519-A9511-AHA).

Summary

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-7-2137 with Sperry Capital, Inc., to exercise the option term, in the amount of \$400,000, for a total contract value of \$1,065,000, for continued financial advisory services.

Attachment

- A. Sperry Capital, Inc., Agreement No. C-7-2137, Fact Sheet

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Approved by:

Andrew Oftelie
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Finance and Administration
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Pia Veasapen
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**Sperry Capital, Inc.
Agreement No. C-7-2137
Fact Sheet**

1. April 23, 2018, Agreement No. C-7-2137, \$495,500, approved by the Board of Directors (Board).
 - Agreement to provide financial advisory services.
 - Initial term effective May 22, 2018 through April 30, 2021, with one, two-year option term.
2. October 26, 2020, Amendment No. 1, Agreement No. C-7-2137, \$169,500, approved by the Board.
 - Additional budget for financial advisory services for the Transportation Infrastructure Finance and Innovation Act (TIFIA) interest rate reset transaction.
3. April 26, 2021, Amendment No. 2, Agreement No. C-7-2137, \$400,000, pending approval by Board.
 - Exercise the option term of the agreement effective May 1, 2021 through April 30, 2023.

Total committed to Sperry Capital, Inc., under Agreement No. C-7-2137: \$1,065,000.



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Annual Insurance Program Review

Finance and Administration Committee Meeting of March 24, 2021

Present: Directors Goodell, Harper, Hennessey, Hernandez, Jones, and Muller

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Receive and file as an information item.



March 24, 2021

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Annual Insurance Program Review

Overview

The Orange County Transportation Authority purchases various insurance coverage protection including workers' compensation, liability, property, business interruption, and cyber losses. The Orange County Transportation Authority contracts with insurance brokers for the marketing and placement of these coverages. This staff report provides an annual review of all major Orange County Transportation Authority insurance policies, including coverage and marketing strategies used to protect its assets.

Recommendation

Receive and file as an information item.

Background

On November 11, 2020, the Finance and Administration Committee directed staff to conduct an annual review of all insurance coverages held by the Orange County Transportation Authority (OCTA). This report includes renewal dates, areas of liability, coverage amounts, and insurance carrier information.

To assist with the renewal of insurance policies, OCTA's Risk Management Department works with a Broker of Record, Marsh Risk and Insurance Services (Marsh), for the marketing and placement of property and casualty coverage. Marsh is paid a flat fee of \$105,000 annually for marketing and placing various insurance policies such as workers' compensation, liability, property, terrorism, and business interruption insurance per Agreement No. C-7-1585 approved by the Board of Directors (Board) on May 22, 2017. This contract will expire on June 30, 2022. The flat fee paid to Marsh does not include any of the premiums OCTA anticipates paying to the selected insurers for any policy renewals. By agreement, Marsh does not earn any additional compensation or commission

for its services. The contract further requires that any commissions offered by insurers will offset OCTA's premiums.

Discussion

Commercial insurance prices have been steadily rising since 2017 with the largest increases in premiums occurring in the third quarter of 2020. Overall, insureds in the United States experienced an average of 10.7 percent increase in premium while the transportation industry paid the highest premium average increase of 11.5 percent. Demonstrative of these trends, OCTA has experienced higher premiums and fewer insurance premium proposals when attempting to renew insurance policies.

OCTA purchases the following insurance coverage:

Workers' Compensation

Workers' compensation coverage is designed to provide medical, temporary disability, and permanent disability benefits to injured workers. Employer's liability is an additional coverage provided as part of the excess workers' compensation insurance policy. Employer's liability insurance covers claims presented to an employer on behalf of employees seeking damages caused by job-related activities that result in bodily injury or disease. For example, if a claim was filed against OCTA due to a serious and willful action resulting from an uncorrected yet known safety hazard that caused injury to an employee, OCTA may be liable for the costs of the claim as it would fall outside of the normal workers' compensation coverage. The employer's liability coverage would pay for the cost of legal defense for these types of claims. Fortunately, OCTA has not had any claims that would trigger the employer's liability coverage. However, retention of employer's liability insurance remains a prudent risk mitigation action.

OCTA's current excess workers' compensation insurance policy with Arch Insurance Company has a self-insured retention of \$750,000 per each accident, as well as coverage to statutory limits, with a rate of \$0.3933 per \$100 of payroll, for a premium of \$445,589. The current policy period is in effect from October 1, 2020 to October 1, 2021.

Excess Liability

Excess liability insurance protects against liability claims for bodily injury and property damage arising out of premises, all operations (including the 91 Express Lanes), products and completed operations, advertising and

personal injury liability, errors and omissions liability (including public official's coverage) employment practices, and employee benefit liability.

OCTA has been self-insured for liability claims since 1977. Prior to December 1, 2020, OCTA purchased commercial excess liability insurance above a predetermined self-insured retention to provide financial protection against catastrophic events and associated losses. Although OCTA has a very favorable loss history, with a 28-year average annual claims payout of \$1,828,000, Marsh identified a market trend of significantly higher premium rates that OCTA would likely pay for insurance policies renewing in late 2020. On November 23, 2020, the Board approved staff's recommendation to fully self-insure instead of purchasing commercial liability insurance. As directed by the Board, staff has continued to monitor the insurance market trends and will present the Board with future insurance options in November 2021 or sooner should the insurance market trend show a 40 percent reduction in likely premiums. The excess liability market pricing has remained unfavorable to date.

Property

Property insurance is designed to protect OCTA property, including buildings, contents, and buses from perils of fire, flood earthquake, and accidental loss. Insurance companies determine property insurance quotes based upon current insurance market conditions affecting rates per \$100 in property values. The coverage of this policy is based on current property values of \$580,397,366, which includes real and business personal property, information system equipment, and directly operated revenue and non-revenue vehicles. Included in the current policy, OCTA is also insured for active shooter and malicious attack coverage, which covers damage to property and additional post event expenses not provided for in a traditional property insurance policy.

Due to the large number of insured buses included in this policy, there is a special insurance condition that OCTA buses are only insured while parked at the bus base. Currently, a \$50,000 deductible is applied per occurrence for fire loss or damage to OCTA's bus fleet in this policy. Revenue vehicles are self-insured for property damage while in operation. OCTA's paratransit vehicles are not included in OCTA's insurable values since these vehicles are insured by MV Transportation, Inc., as required in Agreement No. C-2-1865, approved by the Board on March 25, 2013. In addition, fixed-route buses operated and insured by First Transit, Inc., as required in Agreement No. C-4-1737, approved by the Board on March 23, 2015, are also not included in OCTA's insurable values.

OCTA is currently insured with Zurich Insurance Company for an annual net of commission premium of \$629,269, which is based on property values of \$580,397,366. The current policy is in effect from December 1, 2020 to December 1, 2021. The 91 Express Lanes property is insured under a separate insurance policy.

91 Express Lanes Property

OCTA purchases multiple property, earthquake, flood, and terrorism insurance policies for the 91 Express Lanes. These policies provide catastrophic protection for the roadway, structures, and business personal property, including business interruption coverage against losses caused by fire, flood, and earthquake. Other coverage includes losses due to civil authority, ingress/egress, debris removal, demolition and increased costs of construction, equipment breakdown, including electronic data processing equipment, valuable papers, earthquake sprinkler leakage, and boiler and machinery.

Zurich American Insurance Company provides property and flood coverage and Lexington Insurance Company, QBE Specialty Insurance Company, General Security Indemnity Company of Arizona, and Steadfast Insurance Company provide earthquake coverage. Insurance companies determine property insurance quotes based upon current insurance market conditions and the total value of property to be insured. Currently, these five insurers provide primary property, flood, and earthquake coverage for the 91 Express Lanes for an annual net of commission premium of \$460,332, for a total policy coverage limit of \$157,422,249.

Some insurance premiums for this policy are equally shared with the Riverside County Transportation Commission for their use of the administrative business personal property only at the Riverview Drive location in the City of Anaheim. The current property insurance policy is in effect from March 1, 2021 to March 1, 2022.

Privacy and Security (Cyber)

OCTA purchases three cyber-related policies that provide insurance protection for losses involving network interruption, data asset loss, data breach, cyber extortion, privacy liability, network security liability, regulatory defense, and media liability events.

Currently, OCTA carries \$5 million in primary layer of coverage from AIG, an additional \$5 million second layer from Chubb and a third layer excess policy for an additional \$5 million from AXA XL for a net of commission cost of

\$139,215.55. These policies are in effect from November 1, 2020 to November 1, 2021.

Summary

OCTA purchases various insurance coverage protection for including workers' compensation, liability, property, business interruption and cyber losses. OCTA contracts with insurance brokers for the marketing and placement of these coverages. All necessary insurance policies were renewed on time and with Board approval within the approved budgets.

The Risk Management staff will continue to work with OCTA's brokers on strategies for future renewals in order to obtain the best possible insurance coverage at the lowest policy premium rates.

Attachment

None.

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Approved by:

Maggie McJilton
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COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Consultant Selection for the Interstate 405 TransModeler Simulation Model Development

Regional Planning and Highways Committee Meeting of April 5, 2021

Present: Directors Bartlett, Chaffee, Delgleize, Harper, Hernandez, Murphy, and Sarmiento

Absent: Director Muller

Committee Vote

Following the roll call vote, this item was declared passed 7-0 by the Members present.

Committee Recommendations

- A. Approve the selection of Fehr and Peers as the firm to develop a traffic simulation model for the Interstate 405 using the TransModeler software platform.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2558 between the Orange County Transportation Authority and Fehr and Peers, in the amount of \$399,887, to develop a traffic simulation model for Interstate 405 using the TransModeler software platform.



April 5, 2021

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Consultant Selection for the Interstate 405 TransModeler Simulation Model Development

Overview

Consultant services are needed to develop a traffic simulation model for Interstate 405 using the TransModeler software program. Board of Directors' approval is requested to execute an agreement to perform the required work.

Recommendations

- A. Approve the selection of Fehr and Peers as the firm to develop a traffic simulation model for the Interstate 405 using the TransModeler software platform.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2558 between the Orange County Transportation Authority and Fehr and Peers, in the amount of \$399,887, to develop a traffic simulation model for Interstate 405 using the TransModeler software platform.

Discussion

The Orange County Transportation Authority (OCTA) needs to develop a traffic simulation model for Interstate 405 (I-405) using the TransModeler software platform. The traffic simulation will include both the I-405 general purpose lanes and future express lanes between Interstate 5 (I-5) to the Los Angeles County line. The purpose of the model is to provide OCTA staff with a tool to evaluate and understand future traffic operations of this corridor following the completion of the I-405 Improvement Project. OCTA has developed a similar traffic simulation model in TransModeler for the State Route 91 (SR-91).

Procurement Approach

This procurement was handled in accordance with OCTA Board of Directors-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as project organization and staffing, prior experience with similar projects, work plan, as well as cost and price.

On November 5, 2020, Request for Proposals (RFP) 0-2558 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on November 8 and November 15, 2020. A pre-proposal conference was held on November 12, 2020, with eight attendees representing five firms. Two addenda were issued to provide a copy of the pre-proposal registration sheet and to respond to questions related to the RFP.

On December 3, 2020, four proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management and Planning departments, as well as an external representative from the County of Orange met to review all proposals received. The proposals were evaluated based on the following evaluation criteria and weightings:

- | | |
|-------------------------------------|------------|
| • Qualifications of the Firm | 25 percent |
| • Staffing and Project Organization | 30 percent |
| • Work Plan | 25 percent |
| • Cost and Price | 20 percent |

Several factors were considered in developing the criteria weightings. Qualifications of the firm was weighted at 25 percent as the firm had to demonstrate relevant experience developing similar traffic simulation projects, including modeling complex toll operations. Staffing and project organization was weighted at 30 percent to ensure the proposed project team had the required skills and expertise needed to perform the work. Work plan was weighted at 25 percent, as the firm had to demonstrate its understanding of the key issues related to developing a traffic simulation model along the I-405 corridor, including properly modeling the variable pricing system based on the time of day. Cost and price were weighted at 20 percent to ensure the services are provided at competitive rates.

On December 10, 2020, the evaluation committee reviewed all proposals received based on the evaluation criteria and interviewed all proposing firms. The four proposing firms are listed below in alphabetical order:

Firm and Location

Cambridge Systematics (Cambridge)
Los Angeles, California

CLR Analytics, Inc. (CLR)
Irvine, California

Fehr and Peers (F&P)
Irvine, California

TJKM Transportation Consultants (TJKM)
Pleasanton, California

On December 17, 2020, the evaluation committee interviewed the four firms. The interviews consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements for this project. Specifically, the firms were requested to describe their approach to developing the traffic simulation model, including identifying the greatest issues related to the project, such as toll operations, traffic data collection, traffic changes, key operational issues along the project corridor, and any recommendations to help address these issues.

The firms' project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' experience performing similar services, recommendations for traffic simulation approaches, enhancements to the scope of work, and quality control procedures. Finally, firms were asked specific clarification questions related to each firm's proposal.

After considering the responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary rankings and made adjustments to individual scores. The overall ranking of the firms did not change as a result of the interviews.

Based on the evaluation of the written proposals, information obtained from the interviews, as well as cost and price, the evaluation committee recommends F&P for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

The four firms are qualified to provide the required scope of work with each having extensive experience providing simulation models for various transit agencies.

F&P was founded in 1985 and has over 306 employees. The firm is located in the City of Irvine. F&P demonstrated relevant experience by preparing simulation models, including traffic operations analysis report for the Interstate 15 (I-15) Express Lanes southern extension for the Riverside County Transportation Commission. F&P also completed the Interstate 90 (I-90) Front Street Interchange Improvement Program for the Washington State Department of Transportation. The I-90 is similar to the I-405 project, as the model includes multiple routes available for drivers and design alternatives. In addition, F&P created the TransModeler model for the SR-91 simulation for OCTA, which required a complete conversion of the FREQ simulation model to the TransModeler model.

F&P proposed Jacobs Engineering Group, Inc., (Jacobs) as a subcontractor to advise F&P in managed lane operations and potential improvement recommendations to the I-405 corridor. Jacobs' recent managed lanes projects include the I-5 Managed Lanes Project Study Report for the California Department of Transportation (Caltrans) District 12 and the Managed Lanes Network Study for Orange County and Caltrans.

Cambridge was established in 1972 and has 230 employees. Cambridge has 12 locations with a local office in the City of Los Angeles. The firm's recent relevant experience includes the development of a simulation model for the I-405 corridor for Caltrans, the Gateway Cities Strategic Transportation Plan and Mesoscopic Simulation Model for the Los Angeles Metropolitan Transportation Authority (LA Metro), and a TransModeler-based walkability study traffic modeling for the City of Des Moines, Iowa. Cambridge did not propose any subcontractors for this project.

CLR was established in 2007 and has five employees. The firm has an office in the City of Los Angeles. CLR's recent experience includes multiple model development projects associated with the Southern California Corridor System Management Plan for Caltrans and the Southern California Association of Governments (SCAG). The firm also developed the travel demand modeling simulation for the Metro Regional Transportation System Operations Analysis for LA Metro. In addition, CLR completed the I-15 Express Lane VISSIM Model Review for Caltrans and the SR-91 Improvements Project Approval and Environmental Document (PA/ED) for OCTA. CLR proposed Systems Metrics Group (SMG) as a subcontractor to operate as a dual project management structure. CLR proposed to lead the modeling tasks while SMG is proposed to lead the quality assurance/quality control (QA/QC) and strategy tasks of the project.

TJKM was established in 1974 and has 40 employees. The firm has three locations and has its headquarters in the City of Pleasanton. TJKM developed traffic modeling for the Interstate 80 (I-80)/ Gilman Street Interchange Improvement PA/ED Project for Alameda County and the Greater Ukiah Area Microsimulation Model for Mendocino County. In addition, the firm is currently working on the SR-91 TransModeler Microsimulation Model Toll Operation Upgrade for OCTA. TJKM did not propose any subcontractors for this project.

Staffing and Project Organization

F&P proposed qualified staff with direct experience performing TransModeler simulation or related work. The proposed project manager has been with the firm for 17 years and has direct experience related to TransModeler development and simulations, including being the project manager for OCTA's FREQ to TransModeler Conversion and the SR-91 Implementation Plan TransModeler support currently in process. Additionally, F&P's key personnel proposed over 40 percent availability on average to perform work on this project, with availability increasing as many of their existing F&P projects are near completion. During the interview, the project team members discussed their roles and approach to develop the I-405 TransModeler Simulation Model. All of the individuals present for the interview responded to the evaluation committee's questions. F&P project team's responses included examples of previous TransModeler experience, key issues of the project, as well as noted strategies used, and lessons learned from prior projects. Additionally, the project team's responses demonstrated an understanding of the technical challenges of developing a simulation model. Furthermore, the project team emphasized that they were also familiar with various data collection efforts including Orange County Transportation-Model (OCTAM), street light data, and Caltrans' Freeway Performance Measurement System (PeMS).

Cambridge proposed a project manager that has been with Cambridge for six years and has over 35 years of experience in tolling and managing simulation models. The proposed project manager for Cambridge has direct simulation model development experience working on the development of simulation models for the express lane projects along I-405 in Los Angeles County, Interstate 10 (I-10) and I-80. The proposal included conflicting information regarding staff availability for the project; however, this was clarified during the interview and all key personnel will have at least 50 percent availability.

CLR proposed a dual project manager structure. The CLR project manager responsible for modeling tasks has over 20 years of experience applying traffic simulation tools, traffic control and management, and was a professor/researcher of traffic simulation courses at the University of California, Berkley and University of California, Irvine. The SMG project manager responsible for the QA/QC has over 30 years of experience in managed lanes

analysis, transportation systems management and operations, and simulation. The SMG project manager is currently working on multiple assignments for other agencies including SCAG, San Diego Association of Governments, and Caltrans. Both proposed project managers have experience with simulation, which is a key component to this project. CLR did not provide specific details of their key personnel's experience with simulation projects.

TJKM proposed a project manager with over 12 years of experience leading various California-based modeling projects and is currently working on the SR-91 TransModeler Microsimulation Model Toll Operation Upgrade for OCTA, as well as the Toll Collection System and Toll Services for the I-10 Corridor Dynamic Pricing Simulation Modeling for the San Bernardino Transportation Authority. TJKM proposed no additional support from a subcontracting firm; however, they anticipate using data collection vendors for real-time data and historical data. The proposed project team has worked together on previous projects related to simulation development such as the SR-91 Transmodeler Microsimulation Model Toll Operation and the Greater Ukiah Area Microsimulation Model. During the interview, the project team discussed its roles and approach to develop the TransModeler simulation. However, responses to the evaluation committee's questions were general in nature and did not discuss specific examples.

Work Plan

F&P presented a comprehensive work plan that addressed all the elements of the scope of work. The firm discussed its approach to develop the simulation model. F&P also provided an appropriate work plan outlining all tasks and sub-tasks. The firm also explained the rationale behind the proposed allocation of resources identified in their proposal and allotted for an additional three months of ongoing support as an enhancement after the completion of the project. The firm further discussed in depth how they plan to use the external data sources to supplement possible inconsistencies of the data collected as part of their QA/QC approach. During the interview, F&P detailed their approach to completing the scope of work by taking into consideration the construction activities under the I-405 corridor. F&P proposed using Streetlight data to analyze historic I-405 traffic and new travel patterns. F&P also expanded on the detail discussing stress tests for ingress and egress points throughout the freeway.

Cambridge presented a work plan that addressed all of the key elements of the scope of work. The firm included signaling and ramp metering components and identified hotspots and potential problems along the I-405 corridor where congestion may occur. Cambridge also proposed creating technical tools to automate many key components of the traffic simulation. Using data from existing tools such as the PeMS and OCTAM may lead to an enhanced

conclusion of the simulation model. Cambridge stated during the interview these tools will improve the consistency of the simulation and allow the development of future models to be developed faster.

CLR's work plan addressed several elements of the scope of work. The firm's work plan addressed possible issues that may arise with signaling and ramp metering but did not explain how those issues would be resolved. CLR provided a summary of their approach but included limited details on the simulation model. The firm also provided a generic schedule for the simulation development tool.

TJKM demonstrated a clear understanding of the project requirements and proposed a work plan that addressed the requirements in the scope of work. TJKM outlined the approach to completing each task. The firm also proposed three potential alternatives for this project, as well as a QA/QC review program. The firm proposed an 11-month schedule but did not identify additional sources for data collection as required. TJKM stated they would manually collect vehicle counts without the assistance of subconsultants.

Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest firm-fixed price and scored the other proposals' firm-fixed price based on their relation to the lowest firm-fixed price. F&P proposed a competitive firm-fixed price to develop the simulation model and was also lower than the OCTA project manager's independent cost estimate. Therefore, F&P's proposed firm-fixed price was deemed fair and reasonable.

Procurement Summary

Based on the evaluation of written proposals, the firms' qualifications, information obtained from the interviews, and pricing, the evaluation committee recommends the selection of F&P as the top-ranked firm to develop a traffic simulation model for I-405 using the TransModeler software platform. F&P delivered a comprehensive proposal and interview that was responsive to the requirements of the RFP.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2020-21 Budget, Planning Division, Account No. 0017-7519-M0201-P2U, and is funded with local funds from Measure M2 sales tax revenues.

Summary

Staff is recommending the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2558 with Fehr and Peers, in the amount of \$399,887, to develop a traffic simulation model for Interstate 405 using the TransModeler software platform.

Attachments

- A. Review of Proposals, RFP 0-2558 Interstate 405 TransModeler Simulation Model Development
- B. Proposal Evaluation Criteria Matrix, RFP 0-2558 Interstate 405 TransModeler Simulation Model Development
- C. Contract History for the Past Two Years, RFP 0-2558 Interstate 405 TransModeler Simulation Model Development

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Review of Proposals
RFP 0-2558 Interstate 405 Transmodeler Simulation Model Development

Presented to the Regional Planning and Highways Committee on April 5, 2021.
Four proposals were received, four firms were interviewed, one firm is being recommended.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Firm-Fixed Price
1	86	Fehr & Peers Irvine, California	Jacobs Engineering Group, Inc.	Experience developing simulation models for various transit agencies. Firm established in 1985. Firm's experience includes the Interstate 15 Express Lanes Southern extension for Riverside County Transportation Commission and Interstate 90 Front Street Interchange improvement program for Washington State Department of Transportation. Proposed subconsultant with recent development models and related projects for California Department of Transportation and Orange County Transportation Authority (OCTA). Project team has microsimulation and managed lanes experience. Demonstrated a thorough and concise understanding of OCTA's requirements. Provided a detailed flow chart of the technical process with all major and minor phases identified. Proposed the use of various data collection efforts. Demonstrated during the interview key lessons learned from prior simulations. Proposed competitive pricing below the independent cost estimate.	\$399,887.00
2	84	Cambridge Systems, Inc. Los Angeles, California	None	Experience developing simulation models for various transit agencies. Firm established in 1972. Firm's experience includes the microsimulation development for Interstate 405 for OCTA, Gateway Cities Strategic Plan, and Mesoscopic Simulation Model for Los Angeles County Metropolitan Transportation Authority. Comprehensive understanding of the scope of work. Proposed the use of various data collection efforts. Staff proposed over 50 percent availability. Proposed second lowest firm-fixed price.	\$399,000.00
3	81	CLR Analytics Irvine, California	Systems Metrics Group	Experience developing simulation models for various transit agencies. Firm established in 2007. Firm's experience includes the the Southern California Corridor System Management Plan. Recent simulation models for California Department of Transportation, Southern California Association of Government, Los Angeles County Metropolitan Transportation Authority. development. PM has over 20 years of experience, including teaching traffic simulation at the University of California, Irvine. Information regarding key personnel's experience with microsimulation projects was lacking. Proposed highest firm-fixed price.	\$400,000.00
4	78	TJKM Transportation Consultants Pleasanton, California	None	Experience developing simulation models for various transit agencies. Firm established in 1974. Recent experience includes Interstate 80/Gilman Street Interchange Improvement PA/ED Project for Alameda County. Key personnel have limited experience with managed lanes. Good overall understanding of the scope of work. Proposed lowest firm-fixed price.	\$362,005.00

Acronyms

RFP - Request for Proposals

PA/ED - Project Approval/Environmental Document

Evaluation Panel:

Internal:

Contracts Administration and Materials Management (1)

Planning and Analysis (1)

Project Development (1)

Transportation Modeling (2)

Proposal Criteria

Qualifications of the Firm

Staffing and Project Organization

Work Plan

Cost and Price

Weight Factors

25%

30%

25%

20%

External:

County of Orange (1)

PROPOSAL EVALUATION CRITERIA MATRIX								
RFP 0-2558 Interstate 405 Transmodeler Simulation Model Development								
Fehr & Peers						Weights	Overall Score	
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	4.5	4.5	4.0	4.5	4.5	4.5	5	18.3
Staffing/Project Organization	4.5	4.0	4.0	4.0	4.5	4.5	6	21.0
Work Plan	4.0	4.0	4.5	4.0	4.5	4.0	5	17.5
Cost and Price	4.53	4.53	4.53	4.53	4.53	4.53	4	15.1
Overall Score	87.6	84.6	84.6	84.6	90.1	87.6		86
Cambridge Systematics, Inc.						Weights	Overall Score	
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	4.5	4.5	4.0	4.5	4.5	4.0	5	17.9
Staffing/Project Organization	4.0	4.0	4.0	4.0	4.0	4.0	6	20.0
Work Plan	4.0	4.0	4.0	4.0	4.0	4.0	5	16.7
Cost and Price	4.54	4.54	4.54	4.54	4.54	4.54	4	15.1
Overall Score	84.7	84.7	82.2	84.7	84.7	82.2		84
CLR Analytics						Weights	Overall Score	
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	4.0	5	16.7
Staffing/Project Organization	4.0	4.5	4.0	4.0	4.0	3.5	6	20.0
Work Plan	4.0	4.0	3.5	3.5	3.5	4.0	5	15.4
Cost and Price	4.53	4.53	4.53	4.53	4.53	4.53	4.0	15.1
Overall Score	82.1	85.1	79.6	79.6	79.6	79.1		81
TJKM Transportation Consultants						Weights	Overall Score	
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	4.0	4.0	3.5	4.0	4.0	4.0	5	16.3
Staffing/Project Organization	3.5	3.5	4.0	3.5	4.0	3.5	6	18.5
Work Plan	3.5	3.0	3.0	3.5	3.5	3.5	5	13.8
Cost and Price	5.00	5.00	5.00	5.00	5.00	5.00	4.0	16.7
Overall Score	78.5	76.0	76.5	78.5	81.5	78.5		78

Acronym

RFP - Request for Proposals

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 0-2558 INTERSTATE 405 TRANSMODELER SIMULATION MODEL DEVELOPMENT

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Cambridge Systems, Inc.						
Contract Type: Firm-Fixed Price Subconsultants: None	C-0-2091	Aggregated Transportation Data for Orange County	April 9, 2018	November 30, 2021		\$ 224,992
Contract Type: Time and Expense Subconsultants: None	C-7-1870	Support of Modeling Assumptions Orange County Transportation Analysis Modeling 4.0 Software	April 24, 2017	December 31, 2019		\$ 125,000
			Sub Total			\$ 349,992
CLR Analytics, Inc.						
Contract Type: None Subconsultants: None	N/A	N/A	N/A	N/A		N/A
			Sub Total			N/A
Fehr & Peers						
Contract Type: Firm-Fixed Price Subconsultants: None	C-9-1694	SR-91 Implementation Plan TransModeler Support	January 11, 2020	December 31, 2020		\$ 99,985
Contract Type: Firm-Fixed Price Subconsultants: None	C-9-1706	Support for the SB 743 (Chapter 1243, Statutes of 2013) Compliant Technical Analysis	February 1, 2020	October 31, 2020		\$ 99,990
Contract Type: Firm-Fixed Price Subconsultants:	C-8-2115	2019 Corridor Operations Performance Report	February 12, 2019	June 30, 2020		\$ 189,820
National Data & Surveying Services					\$ 60,060.00	
Contract Type: Firm-Fixed Price Subconsultants:	C-7-1523	Systematic Safety Analysis Report	October 4, 2017	September 30, 2019		\$ 342,875
Nelson/Nygaard					\$ 138,191.00	
Safe Transportation Research and Education Center					\$ 2,049.00	
			Sub Total			\$ 732,670
TJKM Transportation Consultants						
Contract Type: Firm-Fixed Price Subconsultants: None	C-0-2022	SR-91 Transmodeler Microsimulation Model Toll Operations Upgrade	May 1, 2020	April 30, 2021		\$ 199,890
			Sub Total			\$ 199,890

Acronyms

RFP - Request for Proposals

N/A - Not Applicable

SR-91 - State Route 91



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board
Subject: Bus Restructuring Study Consultant Selection

Andrea West

Transit Committee Meeting of April 8, 2021

Present: Directors Chaffee, Do, Jones, Sarmiento, Shaw, and Sidhu
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve the selection of Transportation Management and Design, Inc., as the firm to assist in restructuring the OC Bus fixed-route bus system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2739 between the Orange County Transportation Authority and Transportation Management and Design, Inc., in the amount of \$549,914, to assist in the development of recommendations for restructuring the OC Bus fixed-route bus system.



April 8, 2021

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Bus Restructuring Study Consultant Selection

Overview

The Orange County Transportation Authority requires the services of a firm to assist in the development of recommendations for restructuring the OC Bus fixed-route bus system. A competitive procurement has been conducted, and proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Approve the selection of Transportation Management and Design, Inc., as the firm to assist in restructuring the OC Bus fixed-route bus system.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2739 between the Orange County Transportation Authority and Transportation Management and Design, Inc., in the amount of \$549,914, to assist in the development of recommendations for restructuring the OC Bus fixed-route bus system.

Discussion

The Orange County Transportation Authority (OCTA) last completed a comprehensive bus restructuring study of OC Bus service in 2012. The "Transit System Study" was the basis for changes to OC Bus service between 2016 and 2018. In general, these changes reallocated service from lower productivity routes and areas to core service areas where these resources could yield additional ridership and improved productivity. The coronavirus (COVID-19) pandemic has affected transit ridership significantly in Orange County and throughout the nation. As part of the continuous efforts to review the OC Bus fixed-route system, OCTA is looking to restructure the OC Bus system based on recent changes in demand, travel patterns, and funding.

OCTA requires a consultant team with a full range of professional and technical skills to fulfill and effectively integrate the tasks outlined in the scope of work. The selected consultant team shall have a demonstrated understanding of Orange County and the principles and best practices for restructuring bus service. The project will be broken into three distinct phases. Phase 1 consists of extensive research of prior studies and the current and projected transit and transportation landscape. Phase 2 entails the development and refinement of a service plan with recommended changes to the OC Bus system. Finally, Phase 3 would develop and implement the recommended service plan. The base contract will include phases 1 and 2. OCTA will have the option to exercise Phase 3, depending on the need for consultant services. A comprehensive public outreach component will be implemented to solicit public input throughout each phase of the study.

Procurement Approach

This procurement was handled in accordance with OCTA Board of Directors-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as project organization and staffing, prior experience with similar projects, work plan, as well as cost and price.

On January 11, 2021, Request for Proposals (RFP) 0-2739 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on January 12 and 18, 2021. A pre-proposal conference was held on January 18, 2021, with attendees representing six firms. Three addenda were issued, including a copy of the pre-proposal registration sheet, the pre-proposal conference presentation and responses to questions related to the RFP.

On February 8, 2021, three proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Transit Service Planning, Marketing and Customer Engagement, Schedule and Bus Operations Support, and Public Outreach departments, as well as an external representative from the Los Angeles County Metropolitan Transportation Authority (LA Metro) met to review all proposals received. The proposals were evaluated based on the following evaluation criteria and weightings:

-
- | | | |
|---|-----------------------------------|------------|
| • | Qualifications of the Firm | 25 percent |
| • | Staffing and Project Organization | 30 percent |
| • | Work Plan | 25 percent |
| • | Cost and Price | 20 percent |

Several factors were considered in developing the criteria weightings. Qualifications of the firm was weighted at 25 percent to emphasize the importance of firms demonstrating relevant experience restructuring bus route systems for transportation agencies. Staffing and project organization was weighted highest at 30 percent to ensure the proposed project team demonstrated the required skills and expertise in bus restructuring, because the staff will be recommending various approaches to restructuring the OC Bus system. Work plan was weighted at 25 percent as the firm's final product needed to demonstrate a comprehensive approach to developing recommendations for improvement of the OC Bus system. Cost and price was weighted at 20 percent to ensure OCTA receives competitive pricing for this project.

On February 23, 2021, the evaluation committee reviewed all proposals received based on the evaluation criteria and interviewed all proposing firms. The three proposing firms are listed below in alphabetical order:

Firm and Location

Jarrett Walker & Associates, LLC (JWA)
Portland, Oregon

Nelson/Nygaard Consulting Associates (Nelson/Nygaard)
San Francisco, California

Transportation Management & Design, Inc. (TMD)
Carlsbad, California

On March 2, 2021, the evaluation committee interviewed all three firms. The interviews consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements for this project. Specifically, the firms were requested to describe their approach to restructuring the OC Bus fixed-route system.

The firms' project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' experience performing similar services, incorporating public feedback into the redesign, existing/growing

ridership, and the potential long-term impacts on transit ridership. Finally, firms were asked specific clarification questions related to each firm's proposal.

After considering the responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary rankings and adjusted individual scores. The overall ranking of the firms did not change as a result of the interviews.

Based on the evaluation of written proposals, information obtained from the interviews, as well as cost and price, the evaluation committee recommends TMD for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

TMD was founded in 1988 and has 20 employees. The firm is located in the City of Carlsbad. TMD demonstrated relevant experience as shown in the completed San Diego Metropolitan Transit System (MTS) Transit Optimization Plan for the San Diego MTS, the Transit System Study (TSS) for OCTA, as well as the ongoing NextGen Bus Study for LA Metro, all of which are projects similar in complexity to the services required for this project and for agencies that are either comparable in size or larger than OCTA. TMD proposed three subcontractors that have experience working on similar projects and which will manage various tasks of the project. Cambridge Systematics will lead development of the survey and trip planner comparison tool. PBA Transit Planning will assist with the data elements required as input for the project's visualization tools. Stantec will analyze current OC ACCESS and OC Flex services data, as well as the development of alternative service concepts.

JWA was founded in 2011 and has 14 employees. The firm's relevant experience includes the review and redesign of the Valley Transportation Authority bus network in Santa Clara County and the Dublin Network Redesign for the National Transport Authority of Ireland. Both projects include analyzing and redesigning the existing public transportation network, engaging the public, and working with representatives of the local government authorities to strategize and complete the system redesign.

Nelson/Nygaard was established in 1987 and has 114 employees. Relevant experience includes the Foothill Transit Comprehensive Operational Analysis for Foothill Transit, the Torrance Transit Comprehensive Operational Analysis for the Torrance Transit System, and OCTA's OC Transit Vision, all of which included a system analysis component. The firm proposed three subcontractors with experience in similar transportation projects. The subconsultants Fehr and

Peers, Arellano Associates, and CSched have partnered with Nelson/Nygaard for over five years on multiple projects. Similar projects include the LA Metro Bus Rapid Transit Vision and Principles Study and the Torrance Transit Comprehensive Operational Analysis for the City of Torrance.

Staffing and Project Organization

TMD proposed qualified staff with experience in local and regional transit planning, market analysis, and redesign/restructuring transit systems. The proposed project manager has 15 years of transportation industry experience and has led similar projects, including OCTA's TSS project and LA Metro's NextGen Bus Study. The proposed project team has relevant experience with comprehensive transit studies such as the ongoing NextGen Bus Study for LA Metro and OCTA's TSS Project. These are significant projects as they include elements of analyzing comprehensive data, fixed-route bus systems, and projecting future travel demands. Additionally, TMD's proposed key personnel proposed over 40 percent availability on average to perform work on this project with the project manager indicating 70 percent availability. All of the individuals present for the interview responded to the evaluation committee's questions. The project team's responses included examples of multiple methods for engaging the community, an assessment of the COVID-19 pandemic impacts on transit demand, and their vision for the future of ridership in Orange County.

JWA proposed a project manager with over ten years of experience in transportation. The project manager and the majority of the proposed project team have previously worked together on the Long-Range Regional Transit Plan for Tucson, Arizona, and the Dublin Network Redesign. Both projects are relevant as they are complete restructures of existing bus/transportation systems. Although all of the key personnel were present during the interview, the majority of responses were provided by the principal for the project with minimal participation from the proposed project manager or the rest of the project team in attendance.

Nelson/Nygaard proposed a project manager with 15 years of experience in transportation. The proposed project manager has managed the Torrance Transit Comprehensive Operational Analysis for the City of Torrance and is currently working on the CityLink Comprehensive Operational Analysis for the Greater Peoria Mass Transit District in Peoria, Illinois. Both projects include a comprehensive assessment, extensive community outreach, service improvements, and recommendations for future system planning. During the interview, the proposed project team provided general responses to questions.

Work Plan

TMD presented a comprehensive work plan that addressed all the elements of the scope of work. The firm discussed a balanced approach to outreach and communication to the public as required by the scope of work. TMD provided a clear approach to completing the work plan, as well as extensive technical details that addressed the requirements in the scope of work, such as how they will gather and utilize transit/transportation data and their methods for conducting outreach activities throughout the different phases of the project. The firm also proposed to create an external public web portal to receive public feedback with the ability for OCTA to download the data directly from a website.

JWA's work plan addressed the various elements of the scope of work and included an explanation for each step. The firm's work plan focused heavily on customer feedback and lacked details in addressing the technical requirements of the project. The firm's proposal and interview further demonstrated its approach to engaging the community to gather data. The firm provided limited information on its technical approach including collection and analysis of data. The firm's work plan was heavily focused on performing public outreach during various phases of the project, which could potentially impact the project schedule to exceed the proposed project completion date.

Nelson/Nygaard presented a work plan that addressed all of the key elements of the scope of work. The firm described the level of effort for each task. Nelson/Nygaard also proposed to use an online web portal as their primary method to gather public feedback as required for this project. However, during the interview, the firm was not able to elaborate on the features of the public web portal, as the subconsultant responsible for the design was not in attendance.

Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest firm-fixed price and scored the other proposals' firm-fixed price based on their relation to the lowest firm-fixed price. Although TMD's total firm-fixed price was not the lowest, it was competitive among the prices received from the other two firms and was lower than the OCTA estimated budget. Therefore, TMD's proposed firm-fixed price was deemed fair and reasonable.

Procurement Summary

Based on the evaluation of written proposals, the firms' qualifications, information obtained from the interviews, as well as pricing, the evaluation committee recommends the selection of TMD as the top-ranked firm to assist in the restructuring of the OC Bus fixed-route system. TMD delivered a comprehensive proposal and interview that was responsive to the requirements of the RFP.

Fiscal Impact

Funding for this project is approved in OCTA's Fiscal Year 2020-21 Budget, Planning Division, Account No. 1539-7519-D0016-1LM, and is funded with local funds.

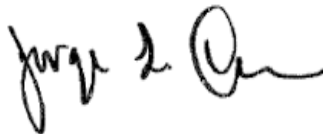
Summary

Staff is recommending the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2739 with Transportation Management and Design, Inc., in the amount of \$549,914, to assist in the development of recommendations to restructure the OC Bus fixed-route bus system.

Attachments

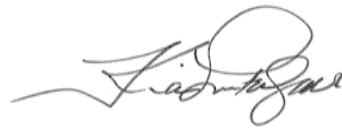
- A. Review of Proposals, RFP 0-2739 Restructuring the OC Bus Fixed-Route System
- B. Proposal Evaluation Criteria Matrix, RFP 0-2739 Restructuring the OC Bus Fixed-Route System
- C. Contract History for the Past Two Years, RFP 0-2739 Restructuring the OC Bus Fixed-Route System

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Review of Proposals
RFP 0-2739 Restructuring the OC Bus Fixed-Route System
Presented to the Transit Committee - April 8, 2021
3 proposals were received, 3 firms were interviewed, 1 firm is being recommended.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Firm-Fixed Price
1	85	Transportation Management & Design, Inc. Carlsbad, California	Cambridge Systematics Stantec PBA Transit Planning	Experience conducting transit system studies and restructures. Firm established in 1988. Firm's experience includes the NextGen Bus Study for Los Angeles County Metropolitan Transportation Authority, Transit Optimization Plan for San Diego Metropolitan Transit System, and the Transit System Study for the Orange County Transportation Authority (OCTA). Proposed three subconsultants with specific experience in survey development, analyze the current and alternative OC Bus services/concepts, and develop the Hastus trip planning tool. Project manager has 15 years of relevant experience. Demonstrated a thorough and concise understanding of the OCTA's requirements. Provided a detailed flow chart of the technical process. Proposed external web portal to receive and download public feedback. Proposed competitive firm-fixed price.	\$ 549,914.00
2	82	Jarrett Walker & Associates, LLC Portland, Oregon	Dan Boyle & Associates Via Mobility, LLC	Experience conducting transit system studies and restructures. Firm established in 2011. Firm's experience includes the review and redesign of the Valley Transportation Authority bus network in Santa Clara County and the Dublin Network Redesign in Ireland. Subconsultants proposed for scheduling and operations. Project Manager with 10 years of experience in transportation. Limited information of the technical approach including collection and analyzing of data. Large focus on community outreach. Proposed lowest firm-fixed price.	\$ 484,229.00
3	81	Nelson/Nygaard Consulting Associates San Francisco, California	Fehr & Peers Arellano Associates CSched	Experience conducting transit system studies and restructures. Firm established in 1987. Firm's experience includes Foothill Transit Comprehensive Operational Analysis for Foothill Transit, and Torrance Transit Comprehensive Operational Analysis for the Torrance Transit System. Project manager with 15 years of experience in transportation. Proposed an online web portal similar to gather public feedback. Not able to respond to questions about the web portal during the interview. Proposed second lowest firm-fixed price.	\$ 525,000.00

Acronym

RFP - Request for Proposal

Evaluation Panel:

Internal:

Contracts Administration and Materials Management (1)
Transit Service Planning (1)
Marketing and Customer Engagement (1)
Schedule and Bus Operations Support (1)
Public Outreach (1)

External:

Los Angeles County Metropolitan Transportation Authority (1)

Proposal Criteria

Qualifications of the Firm
Staffing and Project Organization
Work Plan
Cost and Price

Weight Factors

25%
30%
25%
20%

PROPOSAL EVALUATION CRITERIA MATRIX RFP 0-2739 Restructuring the OC Bus Fixed-Route System							
Transportation Management & Design, Inc.						Weights	Overall Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.5	4.5	4.0	4.5	4.5	4.5	5
Staffing/Project Organization	4.0	4.5	4.0	4.5	4.5	4.0	6
Work Plan	4.5	4.0	4.0	4.0	4.5	4.0	5
Cost and Price	4.1	4.1	4.1	4.1	4.1	4.1	4
Overall Score	85.4	85.9	80.4	85.9	88.4	82.9	85
Jarrett Walker & Associates, LLC						Weights	Overall Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.0	4.5	4.5	4.0	4.0	4.5	5
Staffing/Project Organization	3.5	3.5	4.0	3.5	4.0	3.5	6
Work Plan	3.5	3.5	4.0	4.0	4.0	4.0	5
Cost and Price	5.0	5.0	5.0	5.0	5.0	5.0	4
Overall Score	78.5	81.0	86.5	81.0	84.0	83.5	82
Nelson/Nygaard Consulting Associates						Weights	Overall Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.0	4.0	4.0	4.0	4.5	4.0	5
Staffing/Project Organization	4.0	4.0	3.5	4.0	4.0	3.5	6
Work Plan	4.0	4.0	4.0	4.0	4.0	4.0	5
Cost and Price	4.4	4.4	4.4	4.4	4.4	4.4	4
Overall Score	81.6	81.6	78.6	81.6	84.1	78.6	81

Acronym

RFP - Request for Proposals

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 0-2739 RESTRUCTURING THE OC BUS FIXED-ROUTE SYSTEM

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Jarrett Walker & Associates, LLC						
Contract Type: None	N/A	N/A	N/A	N/A	N/A	N/A
Subconsultants: None						
			Sub Total			N/A
Nelson/Nygaard Consulting Associates						
Contract Type: Time and Expense	C-0-2003	Consultant Services for Project V	April 21, 2020	March 31, 2023		\$ 200,000
Subconsultants: None						
Contract Type: Time and Expense	C-9-1042	Orange County - Los Angeles Transit Connections Study	June 1, 2019	October 31, 2020		\$ 199,978
Subconsultants: Fehr and Peers					N/A	
Subconsultants: Arellano Associates					N/A	
			Sub Total			\$ 399,978
Transportation Management & Design, Inc.						
Contract Type: None	N/A	N/A	N/A	N/A	N/A	N/A
Subconsultants: None						
			Sub Total			N/A

Acronyms

RFP - Request for Proposals

N/A - Not Applicable



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Agreement for Detail Bus Cleaning and Pesticide Application Services

Transit Committee Meeting of April 8, 2021

Present: Directors Chaffee, Do, Jones, Sarmiento, Shaw, and Sidhu
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve the selection of Gamboa Services, Inc., doing business as Corporate Image Maintenance, as the firm to provide detail bus cleaning and pesticide application services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2702 between the Orange County Transportation Authority and Gamboa Services, Inc., doing business as Corporate Image Maintenance, in the amount of \$1,076,726, for detail bus cleaning and pesticide application services for a three-year initial term effective May 1, 2021 through April 30, 2024, with a two-year option term.



April 8, 2021

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Detail Bus Cleaning and Pesticide Application Services

Overview

On January 11, 2021, the Orange County Transportation Authority Board of Directors approved the release of a request for proposals for detail bus cleaning and pesticide application services for directly operated and contract operated fixed-route OC Bus service and OC ACCESS services. As a result, proposals were received from qualified vendors and evaluated. Board of Directors' approval is requested to award an agreement to perform the described services to the most qualified vendor.

Recommendations

- A. Approve the selection of Gamboa Services, Inc., doing business as Corporate Image Maintenance, as the firm to provide detail bus cleaning and pesticide application services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2702 between the Orange County Transportation Authority and Gamboa Services, Inc., doing business as Corporate Image Maintenance, in the amount of \$1,076,726, for detail bus cleaning and pesticide application services for a three-year initial term effective May 1, 2021 through April 30, 2024, with a two-year option term.

Discussion

Transit buses routinely require detail cleaning and pesticide application services to effectively control pests. The Orange County Transportation Authority (OCTA) pest management program consists of contracted services for licensed application of pesticides, placement of bait, and detail cleaning after baiting. Detail cleaning is an important element of the program, providing for pest prevention as well as removal of chemical residue that follows pesticide

applications. OCTA has historically used a contractor experienced in detail bus cleaning, and appropriately certified to handle the chemicals used for this service. The contractor will provide required scheduled pesticide and bait application up to four times per year on buses and a complete interior detail cleaning after pesticide application on these buses. The current agreement for these services will expire on April 30, 2021, and a new agreement is necessary to ensure continuity of these services.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as project organization and staffing, prior experience with similar projects, work plan, as well as cost and price.

On January 11, 2021, the Board authorized the release of Request for Proposals (RFP) 0-2702, which was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on January 11 and January 18, 2021. A pre-proposal conference was held on January 18, 2021, with four attendees representing four firms. Two addenda were issued to provide a copy of the pre-proposal registration sheet and to respond to questions related to the RFP.

On February 10, 2021, two proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Maintenance Resource Management, Maintenance Administration and Contracted Services Administration departments met to review all proposals received.

The proposals were evaluated based on the following Board-approved evaluation criteria and weightings:

- | | | |
|---|-----------------------------------|------------|
| • | Qualifications 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 criteria weightings. Qualifications of the firm was weighted at 30 percent. The higher weighting in this category emphasized that the firm needed to demonstrate it had resources and relevant experience to provide detail bus cleaning and pesticide application

services. Staffing and project organization was weighted at 20 percent to ensure the proposed project team had the staff and expertise needed to perform the work. Work plan was weighted at 25 percent as the proposing firm had to demonstrate its understanding of the range of tasks included in the scope of work and understand OCTA's scheduling requirements. Cost and price was also weighted at 25 percent to ensure the services would be provided at competitive rates and that OCTA receives the best value for the services provided.

On February 22, 2021, the evaluation committee reviewed the proposals received based on the evaluation criteria and interviewed both firms. The two firms are listed below in alphabetical order:

Firm and Location

BriteWorks, Inc. (BWI)
Covina, California

Gamboa Services, Inc., doing business as Corporate Image Maintenance (CIM)
Santa Ana, California

On March 2, 2021, the evaluation committee interviewed both firms. The interviews consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements for this project. The firms' project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. The committee asked specific clarification questions related to the firms' experience, proposed staffing, and the approach to requested services. Each firm was requested to describe its approach to providing workforce safety and quality assurance/quality control measures.

After considering the responses to questions asked during the interviews, the evaluation committee reviewed the preliminary rankings and made adjustments to individual scores. However, the overall ranking of the firms did not change.

Based on the evaluation of written proposals' information obtained from the interviews, as well as cost and price, the evaluation committee recommends CIM for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

CIM was established in the City of Santa Ana in 1994 and employs 54 full-time and part-time employees. The firm has provided commercial cleaning and maintenance services to large public and private agencies. CIM currently provides bus cleaning services and pesticide application along with supervision, equipment maintenance, pressure washing, window cleaning, labor, and materials for all OCTA buses. In addition, CIM currently provides cleaning services for the County of Orange libraries, probation departments, and sheriff stations, as well as for the Orange County Sanitation District. CIM's references provided very good response ratings for CIM's level of work and cleaning performance, success in providing quality control measures, as well as the firm's thorough detail cleaning processes and staff service levels and commitment.

BWI was established in the City of Covina in 1996 and has 170 employees. The firm has relevant experience providing similar services for the Los Angeles County Metropolitan Transportation Authority (LACMTA) providing daily bus cleaning and graffiti abatement services for the LACMTA rail lines. BWI currently provides janitorial services for the City and Police Department of Irwindale, Army Corp of Engineers, State of California General Services and 24-Hour Fitness facilities and are on an emergency on-call basis providing coronavirus sanitation and cleanup support for the County of Los Angeles Property Management Division Homeless Project. BWI's references provided very good response ratings for their customer service and cleaning services.

Staffing and Project Organization

CIM proposed an experienced project team with extensive maintenance management experience, detail bus cleaning, and a project manager with 15 years of project management experience. The firm demonstrated appropriate staffing is available to provide daily and weekend bus cleaning, replacement of interior window protectors, window descaling, window sealing, and seat cleaning. The firm provided a comprehensive schedule for bus cleaning in accordance with the scope of work requirements. The pesticide application will be performed by the subcontractor Orkin, who has extensive experience providing pesticide application services on buses and vehicles at OCTA, in addition to facilities at Hoag Hospital and the Anaheim Convention Center. The project team responded to all questions during the interview.

BWI's proposed team has worked together on several janitorial properties. The project manager has 15 years of experience in transportation and facilities cleaning. The firm proposed a small team of staff to perform the services at OCTA and lacked scheduling details. The firm proposed recruiting and hiring additional staff to work on services for OCTA. The subcontractor for pesticide

application offered a treatment approach prior to baiting each bus. The project team responded to all questions during the interview; however, the staffing plan for scheduled cleanings remained unclear.

Work Plan

CIM's proposed work plan was thorough and clear. The firm submitted a detailed and organized work plan outline. The work plan includes the firm's approach to completing the required services and how the scheduling assignments will be organized to ensure greater efficiency and quality. CIM provided a step-by-step approach to performing all required services in detail. CIM proposed the most comprehensive work plan and adequate staffing to support detailed work schedules.

BWI proposed a work plan that addressed elements of the scope of work in the written proposal; however, the proposed work plan lacked detail supporting supplemental cleaning tasks for bus cleanings. BWI proposed a comprehensive quality assurance/control and safety plan with regular site visits by one of BWI's supervisors to ensure that high cleaning standards are met. BWI conducts staff meetings for their employees to review cleaning processes, procedures, troubleshooting analysis, and time management.

Cost and Price

The firms were asked to provide firm-fixed prices to perform the required types of bus cleaning and pesticide application services per bus at the intervals identified in the scope of work. Scores were based on a formula that assigned the higher score to the lower proposed price and scored the other firm's price based on their relation to the lower proposed price. CIM proposed the lower price per bus. Therefore, CIM's proposed price is deemed fair and reasonable.

Procurement Summary

Based on the evaluation of the written proposals, the firms' qualifications, and the information obtained from the interviews, as well as pricing, the evaluation committee recommends the selection of CIM as the top-ranked firm to provide detail bus cleaning and pesticide application services. CIM delivered a comprehensive proposal and an interview that was responsive to the requirements of the RFP.

Fiscal Impact

The project is included in the OCTA Fiscal Year 2020-21 Budget, Transit Division, Maintenance Department, accounts 2162-7613-D3107-2WP, 2168-7613-D3107-2WP and 2194-7613-D3107-2WP, and Transit Division,

Contracted Services, accounts 2136-7613-D1208-0B2, 2137-7613-D2114-0B1, 2138-7613-D2108-0GH and 2148-7613-D2140-0JT, and is funded through the Local Transportation Fund.


Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2702 with Gamboa Services, Inc., doing business as Corporate Image Maintenance, in the amount of \$1,076,726, for detail bus cleaning and pesticide application services consisting of a three-year initial term effective May 1, 2021 through April 30, 2024, with a two-year option term.

Attachments

- A. Review of Proposals, RFP 0-2702 Detail Bus Cleaning and Pesticide Application Service
- B. Proposal Evaluation Criteria Matrix, RFP 0-2702 Detail Bus Cleaning and Pesticide Application Services
- C. Contract History for the Past Two Years, RFP 0-2702: Detail Bus Cleaning and Pesticide Application Service

Prepared by:



Marie Latino
Section Manager, Maintenance
Resource Management
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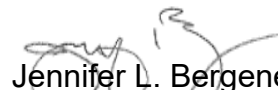
Approved by:



Cliff Thorne
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Pia Veasap
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Jennifer L. Bergener
Chief Operating Officer, Operations/
Deputy Chief Executive Officer
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Review of Proposals
RFP 0-2702 Detail Bus Cleaning and Pesticide Application Service
Presented to the Transit Committee on April 8, 2021
2 proposals were received, 2 firms were interviewed, 1 firm is being recommended

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Initial Term Three-Year Average Per Bus
1	84	Gamboa Services, Inc. doing business as Corporate Image Maintenance Santa Ana, California	Orkin Commercial Services	<p>The firm was established in 1994 and has 54 employees.</p> <p>Currently provides bus cleaning services and pesticide application for all Orange County Transportation Authority (OCTA) buses.</p> <p>The firm currently provides cleaning services to County of Orange and Orange County Sanitation District.</p> <p>The firm's references provided very good responses on the firm's level of work and cleaning performance.</p> <p>The firm proposed an experienced project team with detail bus cleaning services backgrounds.</p> <p>The proposed project manager has 15 years of experience.</p> <p>The firm submitted a detailed and organized work plan outline.</p> <p>Provided lower pricing.</p> <p>The project team responded to all questions at the interview.</p>	<p>40-Foot = \$174</p> <p>60-Foot = \$284</p> <p>Paratransit = \$106</p>
2	74	BriteWorks, Inc. Covina, California	Isotech Pest Management	<p>The firm was established in 1996 and has 170 employees.</p> <p>The firm provides daily bus cleaning and graffiti abatement services for Los Angeles rail lines.</p> <p>Provides cleaning services for the City and Police Department of Irwindale, Army Corp of Engineers, and State of California General Services.</p> <p>The firm's references provided very good responses on the firm's level of work and cleaning performance.</p> <p>Proposed an experienced team with detail bus cleaning backgrounds.</p> <p>The firm proposed a small team of staff to perform the services at OCTA and lacked scheduling details.</p> <p>The project manager has 15 years of experience in transportation and facilities cleaning.</p> <p>The proposed work plan lacked detail supporting supplemental cleaning tasks for bus cleanings.</p> <p>The firm had higher pricing.</p> <p>The project team responded to all questions during the interview; however, staffing assignments for cleanings remained unclear.</p>	<p>40-Foot Bus = \$261</p> <p>60-Foot Bus = \$310</p> <p>Paratransit = \$220</p>

Evaluation Panel

Contracts Administration and Materials Management (1)
Maintenance Resource Management (1)
Maintenance Administration (2)
Contracted Services Administration (1)

Proposal Criteria

Qualifications of the Firm
Staff and Project Organization
Work Plan
Cost and Price

Weight Factors

30 percent
20 percent
25 percent
25 percent

PROPOSAL EVALUATION CRITERIA MATRIX

RFP 0-2702 BUS DETAIL CLEANING AND PESTICIDE APPLICATIONS SERVICES

Gamboa Services, Inc. dba Corporate Image Maintenance						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	6	24.00
Staffing/Project Organization	4.0	4.0	4.0	3.5	3.5	4	15.20
Work Plan	4.0	4.0	4.0	3.5	4.0	5	19.50
Cost and Price	5.0	5.0	5.0	5.0	5.0	5	25.00
Overall Score	85.0	85.0	85.0	80.5	83.0		84
BriteWorks, Inc.						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	6	24.00
Staffing/Project Organization	3.5	3.5	3.5	3.0	3.0	4	13.20
Work Plan	4.0	3.5	4.0	3.5	3.5	5	18.50
Cost and Price	3.7	3.7	3.7	3.7	3.7	5	18.50
Overall Score	76.5	74.0	76.5	72.0	72.0		74

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 0-2702: Detail Bus Cleaning and Pesticide Application Service

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Gamboa Services, Inc. DBA Corporate Image Maintenance						
Contract Type: Time and Expense	C-5-3680	Detail Bus Cleaning and Pesticide Application Services	May 5, 2016	April 30, 2021		\$1,426,318.00
Subconsultants: <i>Orkin Pest Control</i>						
Contract Type: Time and Expense	C-7-1723	Janitorial Services	November 1, 2017	October 31, 2022		\$5,787,111.00
Subconsultants:						
<i>Alert Power Washing</i>						
<i>Orange County Window Cleaning</i>						
Sub Total						\$7,213,429
BriteWorks, Inc.						
Contract Type:		None				
Subconsultants:						
Sub Total						\$0



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Amendment to Agreement for Coach Operator, Operations Instructor, and Field Supervisor Uniforms

Transit Committee Meeting of April 8, 2021

Present: Directors Chaffee, Do, Jones, Sarmiento, Shaw, and Sidhu
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-6-1442 between the Orange County Transportation Authority and Becnel Uniforms, in the amount of \$50,000, to exercise the second option term of the agreement from July 1, 2021 through June 30, 2022, for continued uniform supply services. This will increase the maximum obligation of the agreement to a total contract value of \$871,852.



April 8, 2021

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Coach Operator, Operations Instructor, and Field Supervisor Uniforms

Overview

On May 22, 2017, the Board of Directors approved an agreement with Becnel Uniforms to supply uniforms for coach operators, training instructors, and field supervisors on an as-needed basis for a three-year initial term, with two one-year option terms. The first option term will expire June 30, 2021. Board of Directors' approval to exercise the second option term is requested.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-6-1442 between the Orange County Transportation Authority and Becnel Uniforms, in the amount of \$50,000, to exercise the second option term of the agreement from July 1, 2021 through June 30, 2022, for continued uniform supply services. This will increase the maximum obligation of the agreement to a total contract value of \$871,852.

Discussion

The Orange County Transportation Authority (OCTA) contracts with a uniform services contractor to supply the uniforms needed for coach operators, operations instructors, and field supervisors. Uniforms for coach operators and support staff provide a professional appearance and promote confidence in OCTA's ability to provide safe and reliable service to the public. The uniform program is established in compliance with the Coach Operator Collective Bargaining Agreement, as well as the Personnel and Salary Resolution for employees who fall under the classification of coach operator, operations instructor, and field supervisor. OCTA provides an annual uniform allowance for new hire coach operators of \$280, plus a one-time purchase of a jacket up to \$170. The annual allowance for existing coach operators is \$245, and up to a \$500 annual allowance for support staff. Additional funds are provided for special

circumstances such as weight loss, maternity, and the Bus Rodeo competition. The allowance is intended as a supplement to annual uniform costs employees may incur. These annual allowances have remained consistent over the last ten years.

Procurement Approach

The procurement was handled in accordance with OCTA Board of Directors (Board)-approved policies and procedures for professional and technical services. On May 22, 2017, the Board approved award of the agreement with Becnel Uniforms, for a three-year initial term with two, one-year option terms, from July 1, 2017 through June 30, 2020, in the amount of \$821,852. On July 1, 2020, the first option term was exercised to extend the term of the agreement for 12 months through June 30, 2021. The original agreement was awarded on a competitive basis and has been previously amended as described in Attachment A.

The proposed Amendment No. 2 is to exercise the second option term of the agreement through June 30, 2022, consistent with the rates negotiated in the original agreement. Amending this agreement will increase the maximum cumulative payment obligation by \$50,000 to continue providing uniform services to meet current staffing levels, bringing the total contract value to \$871,852.

Fiscal Impact

The project was approved in the OCTA Fiscal Year 2020-21 Budget, Bus Operations Department, Account No. 2121-7287-D1123-332, and is funded through Local Transportation Funds.

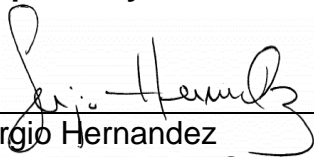
Summary

Staff recommends the Board of Directors authorization for the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-6-1442, in the amount of \$50,000, to exercise the second one-year option term of the agreement through June 30, 2022, for uniform supply services. This will increase the maximum obligation of the agreement to a total contract value of \$871,852.

Attachment

- A. Becnel Uniforms, Agreement No. C-6-1442 Fact Sheet

Prepared by:



Sergio Hernandez
Section Manager, Operations Training
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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

**Becnel Uniforms
Agreement No. C-6-1442
Fact Sheet**

1. May 22, 2017, Agreement No. C-6-1442, \$821,852, approved by the Board of Directors (Board).
 - Agreement to supply uniforms for coach operators, training instructors, and field supervisor on an as-needed basis.
 - Initial Term effective July 1, 2017 through June 30, 2020, with two, one-year option terms.
2. July 1, 2020, Amendment No. 1 to Agreement No. C-6-1442, \$0, approved by Contracts Administration and Materials Management Department.
 - Amendment to exercise the first option term and extend the term of agreement through June 30, 2021 with no increase to the maximum cumulative payment obligation.
 - Revised insurance requirements.
3. April 12, 2021, Amendment No. 2 to Agreement No. C-6-1442, \$50,000, pending approval by the Board.
 - Amendment to exercise the second option term and extend the term of agreement through June 30, 2022.

Total committed to Becnel Uniforms, Agreement No. C-6-1442: \$871,852



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Orange County Local Transportation Authority Measure M2
Maintenance of Effort, Agreed-Upon Procedures Report,
City of Santa Ana, Year Ended June 30, 2020

Finance and Administration Committee Meeting of March 24, 2021

Present: Directors Goodell, Harper, Hennessey, Hernandez, Jones, and
Muller

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Direct staff to monitor implementation of corrective action by the City of Santa Ana.



March 24, 2021

To: Finance and Administration Committee

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

Subject: Orange County Local Transportation Authority Measure M2
Maintenance of Effort, Agreed-Upon Procedures Report, City of
Santa Ana, Year Ended June 30, 2020

Overview

Eide Bailly LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 maintenance of effort expenditures by the City of Santa Ana, for the fiscal year ended June 30, 2020.

Recommendation

Direct staff to monitor implementation of corrective action by the City of Santa Ana.

Background

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

On May 13, 2019, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to conduct audits of the City of Santa Ana (City) for the fiscal years (FY) ending June 30, 2019 and June 30, 2020, to assess full (100 percent) compliance with MOE requirements, and to increase the MOE requirement for FY 2018-19 by the MOE shortfall amount identified in the FY 2017-18 audit.

The audit for FY 2018-19 found that the City spent sufficient funds to meet the required minimum MOE and the shortfall amount, from FY 2017-18.

On June 22, 2020, in direct response to impacts from the coronavirus, the Board approved an amendment to the Orange County Local Transportation Authority Measure M2 Ordinance to remove minimum MOE requirements for cities receiving Local Fair Share funds during FY 2019-20. As a result of the change, the Board also approved revisions to the audit procedures to be applied to the City for FY 2019-20 to remove the requirement for a 100 percent audit of MOE expenditures.

Discussion

Eide Bailly LLP (auditors), tested \$7,720,809 in MOE expenditures, representing 53 percent of the City's total expenditures of \$14,518,020. Testing identified \$30,715 in disallowed expenditures, and \$759,932 of questioned expenditures. The City responded that procedures will be improved to ensure proper identification and coding of MOE expenditures.

The detailed report, along with the City's response, can be found in Attachment A.

Summary

The auditors have completed agreed-upon procedures related to Measure M2 MOE expenditures for the City, for FY ended June 30, 2020.

Attachment

- A. Measure M2 Maintenance of Effort Agreed-Upon Procedures Report Year Ended June 30, 2020 Orange County Local Transportation Authority - City of Santa Ana, California

Approved by:



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



Measure M2 Maintenance of Effort
Agreed-Upon Procedures Report
Year Ended June 30, 2020

Orange County
Local Transportation Authority –
City of Santa Ana, California

Orange County Local Transportation Authority
City of Santa Ana, California
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Year Ended June 30, 2020

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Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors

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

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Santa Ana's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained the Fiscal Year 2020 Expenditure Report for the City and identified the amount reported as spent on Maintenance of Effort (MOE) expenditures (Schedule 3, Line 18).

Findings: MOE expenditures for the fiscal year ended June 30, 2020 totaled \$14,518,020 per the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

2. We documented which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.

Findings: All MOE expenditures were tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund under the following accounting units: Roadway Markings/Signs (AU 01117625), Street Light Maintenance (AU 01117630), Street Trees (AU 01117643), Street Lights (AU 05117620), Traffic/Transportation Engineering (AU 01117620), and Graffiti Abatement Program (AU 01117642). No exceptions were found as a result of this procedure.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2020 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$14,518,020 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$14,518,020 to the amount reported on the City's Expenditure Report (Schedule 3, line 18) with no differences. No exceptions were found as a result of this procedure.

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

Findings: MOE expenditures tested totaled \$7,720,809, representing approximately 53% of the total MOE expenditures for the fiscal year ended June 30, 2020. Of the total tested, we identified the following exceptions:

- \$30,715 of expenditures were not allowable per the Ordinance, as they were not local street and road expenditures.
- \$346,807 of expenditures were questioned due to lack of support demonstrating that the expenditures were eligible local street and road expenditures.
- \$406,125 in graffiti removal expenditures were questioned after testing of the City's methodology for allocating these costs and identified a 25% error rate.

No other exceptions were found as a result of this procedure.

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

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

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


Laguna Hills, California
March 9, 2021

Orange County Local Transportation Authority
City of Santa Ana, California
Schedule of Measure M2 Maintenance of Effort Expenditures (Unaudited)
Year Ended June 30, 2020

Maintenance of Effort (MOE) Expenditures

Maintenance

Street Lights & Traffic Signals - Schedule 3, line 13 \$ 9,033,125

Other Street Purpose Maintenance - Schedule 3, line 15 4,049,090

Construction

Signals, Safety Devices & Street Lights - Schedule 3, line 4 21,960

Indirect and/or Overhead - Schedule 3, line 1 1,413,845

Total MOE expenditures 14,518,020

Direct MOE expenditures tested 6,387,996

Indirect MOE expenditures tested 1,332,813

Total MOE expenditures Tested 7,720,809

Ineligible costs identified 30,715

Questioned costs identified (non-graffiti removal) 346,807

Questioned costs identified (graffiti removal) 406,125

Total exceptions 783,647

Total allowable MOE expenditures tested \$ 6,937,162

Note:

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

MAYOR
Vicente Sarmiento
MAYOR PRO TEM
David Penaloza
COUNCILMEMBERS
Phil Bacerra
Johnathan Ryan Hernandez
Jessie Lopez
Nelida Mendoza
Thai Viet Phan



CITY MANAGER
Kristine Ridge
CITY ATTORNEY
Sonia R. Carvalho
CLERK OF THE COUNCIL
Daisy Gomez

CITY OF SANTA ANA

20 Civic Center Plaza • P.O. Box 1988
Santa Ana, California 92702
www.santa-ana.org

March 9, 2021

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

The following response from City of Santa Ana Management addresses results of the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the year ended June 30, 2020.

Procedure #4

Auditor tested a sample of MOE expenditures from the City's general ledger expenditure detail. For each item selected, Auditor performed the following:

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

Findings: MOE expenditures tested totaled \$7,720,809, representing approximately 53% of the total MOE expenditures for the fiscal year ended June 30, 2020. Of the total tested, Auditor identified the following exceptions:

- \$30,715 of expenditures were not allowable per the Ordinance, as they were not local street and road expenditures.
- \$346,807 of expenditures were questioned due to lack of support demonstrating that the expenditures were eligible local street and road expenditures.

SANTA ANA CITY COUNCIL

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- \$406,125 in graffiti removal expenditures were questioned after testing of the City's methodology for allocating these costs and identified a 25% error rate.

No other exceptions were found as a result of this procedure.

City's Response:

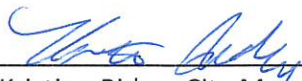
The City expended \$14,518,020 in MOE related expenditures during the fiscal year 2019-20, which exceeds prior year's requirements for MOE compliance.

The City's Public Works Agency (PWA) will continue to review and monitor department procedures to ensure proper identification and coding of Maintenance of Effort (MOE) expenditures.


- During the current and future fiscal years, PWA will ensure MOE-eligible expenditures are properly coded to account numbers assigned to the program, which will make future documentation processes more accurate.
- During the current and future fiscal years, PWA will adopt a budgeting methodology that limits the need for allocating labor costs. If allocation is necessary, the labor distributions will be based on a Cost Allocation Plan prepared by a consultant.

With the implementation of procedures noted above, the City will continue to meet its requirement for MOE compliance.

Sincerely,



Kristine Ridge, City Manager



Kathryn Downs, Executive Director
Finance and Management Services Agency



Nabil Saba, Executive Director
Public Works Agency

SANTA ANA CITY COUNCIL

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COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Orange County Local Transportation Authority Measure M2
Agreed-Upon Procedures Reports, Year Ended June 30, 2020

Finance and Administration Committee Meeting of March 24, 2021

Present: Directors Goodell, Harper, Hennessey, Hernandez, Jones, and
Muller

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Direct staff to monitor implementation of corrective actions proposed by the cities.



March 24, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Orange County Local Transportation Authority Measure M2
Agreed-Upon Procedures Reports, Year Ended June 30, 2020

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to seven cities, Senior Mobility Program funds provided to six cities, and Senior Non-Emergency Medical Transportation funds provided to the County of Orange for the fiscal year ended June 30, 2020. Local Fair Share program reports include observations of ineligible maintenance of effort expenditures, misreporting of direct or indirect costs, misreporting of expenditures, and a funded project not reflected in the city's Seven-Year Capital Improvement Program plan. Senior Mobility Program reports include observations relating to late submission of a monthly report, third-party contracting, misreporting of expenditures, failure to allocate interest, and overcharge of administrative costs.

Recommendation

Direct staff to monitor implementation of corrective actions proposed by the cities.

Background

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee selects a sample of local jurisdictions receiving Measure M2 (M2) funding for audit, to determine the local jurisdictions' level of compliance with provisions of the M2 Ordinance. For the fiscal year (FY) ended June 30, 2020, the Subcommittee selected seven cities for review of Local Fair Share (LFS) program funding, and six cities for review of Senior Mobility Program (SMP) funding. The County of Orange (County) was also selected for review of Senior

Non-Emergency Medical Transportation (SNEMT) program funding. The agreed-upon procedures (AUP) applied for these reviews were approved by the Subcommittee.

The LFS program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS program is intended to augment, not replace, existing transportation expenditures, each jurisdiction is typically required to maintain a minimum level of local street and road expenditures to conform to a defined maintenance of effort (MOE) benchmark requirement. However, in response to the impacts of the coronavirus pandemic, the Board of Directors approved an amendment to the Orange County Local Transportation Authority M2 Ordinance to allow agencies to report actual MOE, which could be below the benchmark for FY 2019-20. Cities are required to submit copies of their Seven-Year Capital Improvement Plan, reflecting projects that will be funded with LFS.

The SMP funds local community transportation services for seniors. This program provides up to 80 percent of the funding for these services, and participating local jurisdictions provide a 20 percent match. Seniors must be age 60 or older to be eligible to participate in the program. A cooperative agreement, along with a written service plan, is executed between the local jurisdiction and OCLTA, to outline requirements of the program and to describe services to be provided. Consistent with the program guidelines, cities are required to submit monthly SMP activity reports within 30 days of month end.

The SNEMT program supplements existing countywide services that are funded with Tobacco Settlement Revenues (TSR). Since the SNEMT program is intended to supplement, not replace, existing TSR expenditures, the County is required to allocate the same percentage of TSR funding that was allocated in November 2006. A cooperative agreement between the County and OCLTA outlines program requirements. Through the terms of this agreement, the County is required to submit quarterly SNEMT activity reports within 45 days of quarter end.

All M2 revenues, interest earned on net revenues, expenditures, and expenditures of earned interest are required to be reflected on an annual expenditure report. The expenditure report requires certification by the respective city's finance director and must be adopted by the city council and filed with OCLTA within six months of FY end.

Discussion

Crowe LLP (auditors), conducted interviews of city finance and program-related staff, and applied the AUP, including testing of expenditures for compliance with

program requirements, review of indirect costs for adequate support and reasonableness, testing to ensure allocation of interest, and testing of annual expenditure reports for accuracy.

AUP: LFS Program Funds

The auditors examined the cities of Brea, Costa Mesa, Laguna Hills, Lake Forest, La Palma, Placentia, and Tustin. No observations resulted from the audit of the City of Lake Forest.

At two cities, the auditors identified expenditures that were not properly classified as MOE expenditures. At six cities, the auditors identified reporting errors related to amounts reported on the cities' expenditure reports and at one city, LFS expenditures were charged to a project not listed on the city's Seven-Year Capital Improvement Project program report.

A summary of all findings and city management responses can be found in Attachment A, and the detailed reports, along with written management letters, can be found at Attachment B.

AUP: SMP Funds

The auditors examined the cities of Brea, Cypress, Costa Mesa, Laguna Hills, Placentia, and Stanton. No observations resulted from the audits of the cities of Costa Mesa, Cypress, and Stanton.

Two cities failed to allocate and report interest to the SMP program. One city continued to utilize a third party to provide senior transportation services under an agreement that was effective for the calendar year 2014, and one subsequent year. Another city overcharged the SMP program for indirect/administrative costs, misreported total SMP expenditures on its expenditure report, and submitted one monthly report late.

A summary of all findings and city management responses can be found at Attachment C, and the detailed reports, along with written management letters, can be found at Attachment D.

AUP: SNEMT Program Funds

No observations resulted from the audit of the County.

The detailed report can be found at Attachment E.

Summary

The auditors have completed AUP related to M2 LFS, SMP, and SNEMT funds provided to nine cities and the County, for the FY ended June 30, 2020.

Attachments

- A. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2020
- B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2020
- C. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2020
- D. Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2020
- E. Orange County Local Transportation Authority Measure M2 Senior Non-Emergency Medical Transportation Program Agreed-Upon Procedures Report, County of Orange, Year Ended June 30, 2020

Authorized by:



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

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2020

City	Result	City Management Response
Brea	The City of Brea's (Brea) expenditure report reflected \$0 in indirect costs charged as maintenance of effort (MOE) expenditures; however, testing identified indirect expenditures were charged to the MOE.	Brea has learned as part of this review that certain staff costs should be considered indirect, due to the manner in which the costs are charged to the program. Brea now has clarification on how these costs should be listed for reporting purposes.
Costa Mesa	The City of Costa Mesa (Costa Mesa) reported total MOE expenditures of \$9,713,495, on its expenditure report. Actual expenditures, per the general ledger, totaled \$9,413,495, a variance of \$300,000. The variance resulted from a clerical error.	Costa Mesa has implemented an additional layer of review to ensure accuracy.
Laguna Hills	The City of Laguna Hills (Laguna Hills) reported total MOE expenditures of \$1,516,648, on its expenditure report. Actual expenditures, per the general ledger, totaled \$1,407,967, a variance of \$108,681. The variance resulted from a reporting error.	Laguna Hills is in the process of revising its expenditure report and will submit the revised report to the Orange County Local Transportation Authority.
	Testing of 40 direct MOE expenditures, totaling \$243,690, identified one expenditure of \$80, that was not allowable per the Ordinance.	Laguna Hills will enhance its review procedures to ensure only eligible costs are allocated as MOE expenditures.
	Testing identified \$341,205 in MOE direct costs that were reported as indirect costs, in error. In addition, \$6,533 in MOE indirect costs tested were not allowable per the Ordinance.	Moving forward, Laguna Hills will classify contract engineering services as direct costs and will enhance its review procedures to ensure only allowable expenditures are allocated as MOE.
	Local Fair Share (LFS) expenditures related to one project (Street and Roadway Maintenance) that was not listed on Laguna Hills' Seven-Year Capital Improvement Project (CIP) Report, as required.	Moving forward, Laguna Hills will list the Street and Roadway Maintenance program as a LFS project on its CIP report.
Lake Forest	None	
La Palma	The City of La Palma's (La Palma) expenditure report reflected \$0 in indirect costs charged as MOE expenditures; however, testing identified indirect expenditures were charged to the MOE.	La Palma will report these expenditures as indirect costs in the future.
Placentia	The City of Placentia (Placentia) reported total MOE expenditures of \$1,125,411 on its expenditure report. Actual expenditures, per the general ledger, totaled \$848,930, a variance of \$276,481.	Placentia identified, corrected, and re-submitted its expenditure report.
	Testing of 40 direct MOE expenditures, totaling \$228,492, identified one expenditure for \$910, that was not allowable per the Ordinance.	Placentia's finance department will complete a thorough analysis of these expenditures before submission.
	Placentia's expenditure report reflected \$0 in indirect costs charged as MOE expenditures; however, testing identified indirect expenditures were charged to the MOE.	Placentia will review the Ordinance and Gas Tax Guidelines to ensure proper classification of expenditures in future reports.
Tustin	Testing identified \$188,625 in MOE direct costs that were reported as indirect costs, in error.	Going forward, the City of Tustin (Tustin) will ensure these costs are categorized as direct costs.
	Testing identified \$27,229 in LFS direct costs that were reported as indirect costs, in error.	Going forward, Tustin will ensure these costs are categorized as direct costs.

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2020

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2020

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2020. Please refer to the individual divider tab for our report on each Agency.

City of Brea

City of Costa Mesa

City of Laguna Hills

City of Lake Forest

City of La Palma

City of Placentia

City of Tustin

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Brea's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund and budget unit. The City recorded its MOE expenditures in its General Fund (110), Gas Tax Fund (220), and various budget units. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$1,355,110 (see Schedule A). We agreed the total expenditures of \$1,355,110 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$446,590 for testing, which represented approximately 33% of direct MOE expenditures of \$1,355,110 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$173,399 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$3,006,428 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$2,876,550 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and budget unit. The City recorded its LFS expenditures in its Measure M Transport Tax Fund (260), and various budget units. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$936,508 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five Measure M2 direct Local Fair Share expenditures for inspection totaling \$892,781 representing approximately 97% of total Measure M2 direct Local Fair Share expenditures of \$915,832 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2020. We agreed \$20,676 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$1,998 representing 10% of the total indirect Local Fair Share costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included allocated engineer salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect Local Fair Share costs and were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. In addition, the indirect LFS costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$38,171 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF BREA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:

Maintenance

Other Street Purpose Maintenance	\$ 1,355,110
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Total MOE Expenditures	\$ 1,355,110
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Measure M2 Local Fair Share Expenditures (Schedule 4):

Administrative	\$ 20,676
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Traffic Control Upgrade - 7218	577
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Citywide Slurry Seal Program - 7312	200,000
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Alley Rehab E. of Redwood Avenue - 7315	161,640
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Alley Rehab - Puente/ Joyce - 7316	207,915
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Cliffwood Park Pavement - 7317	316,895
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Alley Rehab W. of Flower Avenue - 7319	16,616
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Country Lane Street Rehabilitation - 7323	11,440
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Street Name Sign Replacement - 7703	<u>749</u>
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Total Measure M2 Local Fair Share Expenditures	\$ 936,508
--	------------

Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 2,291,618</u>
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Note: The above amounts were taken directly from the financial records of the City of Brea and were not audited.



City of Brea

March 11, 2021

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

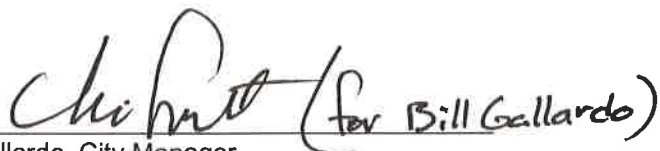
The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Brea as of and for the fiscal year ended June 30, 2020.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$173,399 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response: The City of Brea learned as part of this review that certain allowable staff costs for the street program are considered indirect/overhead costs due to the manner in which the costs are charged through the City's payroll system. The staff costs charged were mostly related to employees directly participating on street and road purpose projects, as well as first level supervision. However, these costs are allocated as opposed to direct charged to the program on the employee timecards. All of Brea's MOE costs were deemed allowable, and Brea staff now has clarification on which costs should be reported as indirect/overhead costs and which costs should be listed as direct for future reporting purposes.

 (for Bill Gallardo)

William Gallardo, City Manager



Cindy Russell, Administrative Services Director



Tony Olmos, Public Works Director

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF COSTA MESA

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and program number. The City recorded its MOE expenditures in its General Fund (101), Capital Improvement Fund (401), Measure M2 Fund (416), various department numbers, and program numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Costa Mesa reported total MOE expenditures of \$9,713,495 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures per expenditures detail totaled \$9,413,495, a variance of \$300,000. This variance was a result of clerical error in reporting expenditures in Program 30243 Signs & Markings. No other exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$2,943,813 which represented approximately 35% of total direct MOE expenditures of \$8,288,079 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2020. We agreed \$1,125,416 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$250,765 representing 22% of the total indirect MOE costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included allocated management salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$7,812,493 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$5,307,592 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and program number. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (416), various department numbers, and program numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$1,932,955 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 24 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,449,882 representing approximately 75% of total Measure M2 direct Local Fair Share expenditures of \$1,932,955 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$181,561 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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

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

Crowe LLP

Costa Mesa, California
March 15, 2021

CITY OF COSTA MESA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,125,416
Construction & Right-of-Way	
Street Reconstruction	526,884
Signals, Safety Devices, & Street Lights	110,999
Pedestrian Ways & Bikepaths	160,904
Storm Drains	640,237
Maintenance	
Street Lights & Traffic Signals	1,907,973
Other Street Purpose Maintenance	<u>4,941,082</u>
 Total MOE Expenditures	 <u>\$ 9,413,495</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Harbor Blvd. Median and Parkway Improvements #350017	\$ 174,325
Street Maintenance City-wide #400015	1,758,630
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 1,932,955</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u>\$ 11,346,450</u>

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.



CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

FROM THE OFFICE OF THE FINANCE DIRECTOR/CITY TREASURER

Exhibit 1

March 11, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Costa Mesa as of and for the fiscal year ended June 30, 2020.

Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Costa Mesa reported total MOE expenditures of \$9,713,495 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures per expenditures detail totaled \$9,413,495, a variance of \$300,000. This variance was a result of clerical error in reporting expenditures in Program 30243 Signs & Markings. No other exceptions were found as a result of this procedure.

City's Response:

The MOE program total expenditure entry had an administrative error that resulted in the amount being over-stated by \$300,000. The City has implemented an additional layer of review with the onboarding of a permanent Accounting Supervisor.

It is important to note that even after the correction of this error, the City's fiscal year 2020 MOE spending was approximately 6.9% of its General Fund revenues.

Lori Ann Farrell Harrison, City Manager

Carol Molina, Finance Director

Raja Sethuraman, Public Services Director

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Hills' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its MOE expenditures in its General Fund (100), Public Services Fund (355), various department, and various account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Laguna Hills reported total MOE expenditures of \$1,516,648 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures per the general ledger expenditure detail totaled \$1,407,967, a variance of \$108,681. The variance was due to incorrect amounts reported in Line 15 of the Expenditure Report. No other exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$243,690 for testing which represented approximately 26% of total direct MOE expenditures of \$929,027 for the fiscal year ended June 30, 2020. We identified one expenditure relating to membership dues, totaling \$80 that was not allowable per the Ordinance. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We selected 49 indirect MOE costs for inspection with a total amount of \$366,425 representing 77% of the total indirect MOE costs of \$478,940. We agreed \$478,940 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We recomputed the selected indirect costs charges using the City's allocation methodology and identified \$341,205 of indirect costs that should have been reported as direct costs. The costs were related to direct contracted engineering services. In addition, upon inspecting the supporting documentation for the indirect cost samples selected, we identified two expenditures, totaling \$6,533 that were not allowable per the Ordinance. These two expenditures consisted of various office supplies and park features. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$1,610,086 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$0 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its LFS expenditures in its Measure M Fund (212), various department numbers, and account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$615,719 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: M2 Local Fair Share expenditures selected for inspection totaled \$497,607 representing approximately 81% of total Measure M2 Local Fair Share expenditures of \$615,719 for the fiscal year ended June 30, 2020. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, which consisted of one project, the project (Street and Roadway Maintenance \$615,719) was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$5,456 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

(Continued)

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

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

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


Crowe LLP

Costa Mesa, California
March 12, 2021

CITY OF LAGUNA HILLS, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 478,940
Construction & Right-of-Way	
Signals, Safety Devices, & Street Lights	9,250
Storm Drains	189,389
Maintenance	
Street Lights & Traffic Signals	689,013
Other Street Purpose Maintenance	<u>41,375</u>
 Total MOE Expenditures	 <u>\$ 1,407,967</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Street Maintenance Contract	\$ 615,719
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 615,719</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u><u>\$ 2,023,686</u></u>

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



Exhibit 1

CITY OF LAGUNA HILLS

March 12, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Laguna Hills as of and for the fiscal year ended June 30, 2020.

Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Laguna Hills reported total MOE expenditures of \$1,516,648 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures totaled \$1,407,967, a variance of \$108,681. The variance was due to incorrect amounts reported in Line 15 of the Expenditure Report. No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the Finding and is in the process of revising its M2 Expenditure Report accordingly for the fiscal year ended June 30, 2020. The revised Expenditure Report will be resubmitted to OCTA.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

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

Findings: We selected 40 direct MOE expenditures totaling \$243,690 which represented approximately 26% of total direct MOE expenditures of \$929,027 for the fiscal year ended June 30, 2020. We identified one expenditure relating to membership dues, totaling \$80 that was not allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the Finding and will enhance its review procedures to ensure only eligible costs will be allocated to MOE expenditures.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We selected 49 indirect MOE costs for inspection with a total amount of \$366,425 representing 77% of the total indirect MOE costs of \$478,940. We agreed \$478,940 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We recomputed the selected indirect costs charges using the City's allocation methodology and identified \$341,205 of indirect costs that should have been reported as direct costs. The costs were related to direct contracted engineering services. In addition, upon inspecting the supporting documentation for the indirect cost samples selected, we identified two expenditures, totaling \$6,533 that were not allowable per the Ordinance. These two expenditures consisted of various office supplies and park features. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the Finding. Moving forward, the City will classify contract engineering services as direct cost and will enhance its review procedures to ensure only allowable expenditures are allocated as MOE.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: M2 Local Fair Share expenditures selected for inspection totaled \$497,607 representing approximately 81% of total Measure M2 Local Fair Share expenditures of \$615,719 for the fiscal year ended June 30, 2020. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, which consisted of one project, the project (Street and Roadway Maintenance \$615,719) was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the Finding. Moving forward, the City's Street and Roadway Maintenance program will be listed as a Measure M2 Local Fair Share project on the Seven-Year Capital Improvement Program (CIP).



Kenneth H. Rosenfield
Interim City Manager



Janice Reyes
Finance Director

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF LAKE FOREST

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Lake Forest's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its MOE expenditures in its General Fund (100), various department numbers, and account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$793,583 (see Schedule A). We agreed the total expenditures of \$793,583 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$403,437 for testing, which represented approximately 51% of total direct MOE expenditures of \$793,583 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$4,277,021 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$1,911,408 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its LFS expenditures in its Measure M Fund (220), various department numbers, and account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$770 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without exception. We selected two direct Measure M2 Local Fair Share expenditures for inspection totaling \$770 representing 100% of total direct Measure M2 Local Fair Share expenditures of \$770 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$16,116 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management 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 and is not intended to be, and should not be, used by anyone other than the specified party.

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

Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF LAKE FOREST, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:

Maintenance

Other Street Purpose Maintenance	\$ 793,583
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Total MOE Expenditures	\$ 793,583
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Measure M2 Local Fair Share Expenditures (Schedule 4):

950.100 Repaving and Slurry Seal	\$ 770
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Total Measure M2 Local Fair Share Expenditures	\$ 770
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Total MOE and Measure M2 Local Fair Share Expenditures	\$ 794,353
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Note: The above amounts were taken directly from the financial records of the City of Lake Forest and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF LA PALMA

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of La Palma's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its MOE expenditures in its General Fund (001), Road Maintenance and Rehabilitation Fund (010), Street Fund (011), various department numbers, and account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$517,482 (see Schedule A). We agreed the total expenditures of \$517,482 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 35 direct MOE expenditures totaling \$395,204 for testing, which represented approximately 76% of direct MOE expenditures of \$517,482 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$23,808 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and allowable per the Ordinance. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$796,578 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$373,906 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its LFS expenditures in its Measure M Fund (012), various department numbers, and account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$301,928 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling \$273,325 representing approximately 91% of total direct Measure M2 Local Fair Share expenditures of 301,928 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$18,325 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

(Continued)

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

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

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

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

Crowe LLP

Costa Mesa, California
March 15, 2021

CITY OF LA PALMA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:

Maintenance

Patching	\$ 12,135
Overlay & Sealing	179,538
Street Lights & Traffic Signals	142,690
Other Street Purpose Maintenance	<u>183,119</u>

Total MOE Expenditures	<u>\$ 517,482</u>
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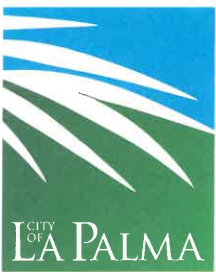
Measure M2 Local Fair Share Expenditures (Schedule 4):

Orangethorpe Ave Rehabilitation (Walker to Valley View) (ST-353)	\$ 23,273
Median Island Reconstruction Design	38,655
Orangethorpe Ave Rehabilitation (Moody to Walker) (ST-346)	240,000

Total Measure M2 Local Fair Share Expenditures	<u>\$ 301,928</u>
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Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 819,410</u></u>
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Note: The above amounts were taken directly from the financial records of the City of La Palma and were not audited.



March 15, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of La Palma as of and for the fiscal year ended June 30, 2020.


Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.


Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected indirect 25 MOE expenditures from the general ledger expenditures detail totaling \$23,808 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were allowable per the Ordinance. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response:

The City has been preparing the annual report consistently, and the City is pleased that the expenditures are allowable. The City sees that the auditor used account 001-405-5010-xxxxx to calculate the \$23,808, and for future reports, the City will report those expenditures as indirect costs.

 CITY MANAGER

Name and Title of Responsible Party

 COMMUNITY SERVICES DIRECTOR

Name and Title of Responsible Party

 ACCOUNTING SUPERVISOR

Name and Title of Responsible Party

www.cityoflapalma.org

7822 Walker Street

La Palma, CA 90623-1771

PHONE

714 690 3300

FAX

714 523 2141

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Placentia's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, and package. The City recorded its MOE expenditures in its Measure M Fund (210), various packages. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Placentia reported total MOE expenditures of \$1,125,411 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures totaled \$848,930, a variance of \$276,481. The variance was due to a clerical error when reporting the expenditures for Department Contracted Services. No other exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$228,492 for testing, which represented approximately 27% of total direct MOE expenditures of \$848,930 for the fiscal year ended June 30, 2020. We identified one expenditure related to a rental car, totaling \$910 that was not allowable per the Ordinance. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE direct cost samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditure detail totaling \$96,455 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$2,762,624 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$623,228 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, package. The City recorded its LFS expenditures in its Measure M Fund (210), various packages. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$527,707 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling \$413,141 representing approximately 78% of total direct Measure M2 Local Fair Share expenditures of \$527,707 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$12,814 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

(Continued)

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

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

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

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

Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF PLACENTIA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:

Maintenance

Street Lights & Traffic Signals	\$ 123,116
Other Street Purpose Maintenance	<u>725,814</u>

Total MOE Expenditures	<u>\$ 848,930</u>
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Measure M2 Local Fair Share Expenditures (Schedule 4):

1001 - FY 19-20 Residentail Slurry Seal Project	\$ 464,177
1905 - Design for ADA Ramp Reconstruction Project	200
5801 - Metrolink Stations and Parking Structure Project	34,690
183551-6015 Pavement Management plan update	<u>28,640</u>

Total Measure M2 Local Fair Share Expenditures	<u>\$ 527,707</u>
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Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 1,376,637</u></u>
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Note: The above amounts were taken directly from the financial records of the City of Placentia and were not audited.

The People are the City



Mayor
CRAIG S. GREEN

Mayor Pro Tem
CHAD P. WANKE

Councilmembers:
RHONDA SHADER
WARD L. SMITH
JEREMY B. YAMAGUCHI

City Clerk:
ROBERT S. MCKINNELL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

Exhibit 1

March 11, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Placentia as of and for the fiscal year ended June 30, 2020.

Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Placentia reported total MOE expenditures of \$1,125,411 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures totaled \$848,930, a variance of \$276,481. The variance was due to a clerical error when reporting the expenditures for Department Contracted Services. No other exceptions were found as a result of this procedure.

City's Response: The City agrees that on the initial submission for MOE expenditure report there was a clerical error. The City corrected and submitted the report to OCLTA when the error was found prior to discovery from the auditors. The city will verify the report before submission.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

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

Findings: We selected 40 direct MOE expenditures totaling \$228,492, which represented approximately 27% of total direct MOE expenditures of \$848,930 for the fiscal year ended June 30, 2020. We identified

one expenditure relating to a rental car, totaling \$910 that was not allowable per the ordinance. No other exceptions were found as a result of this procedure.

City's Response: The City agrees that the \$910 was not an allowable expense per the ordinance. Placentia's finance department will complete a thorough analysis of the expenditures prior to submission.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$96,455 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were allowable per the Ordinance. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response: The City agrees that based on the Ordinance the 25 MOE expenditures are indirect expenditures. The City will review the Ordinance and Gas Tax guidelines to ensure proper classification of expenditures in future reports.



Damien Arrula, City Administrator

Luis Estevez, Deputy City Administrator

Jessica Brown, Finance Director

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Tustin's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and division number. The City recorded its MOE expenditures in its Capital Projects Fund (200), Proceeds Land Held for Resale Fund (189), various department numbers, and division numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$4,120,774 (see Schedule A). We agreed the total expenditures of \$4,120,774 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 20 direct MOE expenditures totaling \$2,987,179 for testing, which represented approximately 76% of total direct MOE expenditures of \$3,932,149 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$188,625 in indirect costs for MOE for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$51,184 representing 27% of the total MOE indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$188,625 should have been reported as direct costs. Upon inspecting the supporting documentation for the samples selected, we determined that the MOE direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$4,772,858 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$4,089,124 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and division number. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (139), various department numbers, and division numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$530,129 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected ten Measure M2 direct Local Fair Share expenditures for inspection totaling \$280,116 representing approximately 56% of total Measure M2 Local Fair Share direct expenditures of \$502,900 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$27,229 in indirect costs for LFS for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$7,389 representing 27% of the total LFS indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$27,229 should have been reported as direct costs. Upon inspecting the supporting documentation for the samples selected, we determined that the LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$134,487 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF TUSTIN, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 188,625
Construction & Right-of-Way	
New Street Construction	1,096,948
Signals, Safety Devices, & Street Lights	10,074
Pedestrian Ways & Bikepaths	173,250
Maintenance	
Patching	67,984
Overlay & Sealing	1,698,700
Other Street Purpose Maintenance	<u>885,193</u>
 Total MOE Expenditures	 <u>\$ 4,120,774</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Traffic Signal Controller Upgrade/Replacement	\$ 93,370
17th Street Signal Synchronization	250
Edinger Ave/ Irvine Center Drive Traffic Signal Synchronization	9,569
Tustin Ranch Road/ Von Karmen Traffic Signal Synchronization	25,372
Lansdowne/Valencia Traffic Signal Improvement	19
FY18/19 Major Pavement Maintenance	250,168
FY19/20 Major Pavement Maintenance	121,367
Bank Service Charges	2,785
Direct Charge for Labor Associated With These Projects	<u>27,229</u>
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 530,129</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u><u>\$ 4,650,903</u></u>

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

Finance Department

March 11, 2021

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



The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Tustin as of and for the fiscal year ended June 30, 2020.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$188,625 in indirect costs for MOE for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$51,184 representing 27% of the total MOE indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$188,625 should have been reported as direct costs. Upon inspecting the supporting documentation for the samples selected, we determined that the MOE direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

Previously, the City Staff had the understanding that the direct labor costs for the Engineering staff's time to manage the various projects were considered to be overhead and should be included on line 1 of Schedule 3 of the Expenditure Report. Going forward, the City staff will ensure that these costs be categorized with the project costs in line 2 through 15 of Schedule 3 of the Expenditure Report.

Procedure #8

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

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$27,229 in indirect costs for LFS for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$7,389 representing 27% of the total LFS indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$27,229 should have been reported as direct costs. Upon inspecting the supporting documentation for the

samples selected, we determined that the LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

Previously, the City Staff had the understanding that the direct labor costs for the Engineering staff's time to manage the various projects were considered to be overhead and should be included on line 1 of Schedule 3 of the Expenditure Report. Going forward, the City staff will ensure that these costs be categorized with the project costs in line 2 through 15 of Schedule 3 of the Expenditure Report.

DocuSigned by:

Matthew S. West

Matthew S. West, City Manager

DocuSigned by:

Jason Al-Imam

Jason Al-Imam, Finance Director

DocuSigned by:

Douglas S. Stack

Doug Stack, Director of Public Works/City Engineer

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Senior Mobility Program for the Year Ended June 30, 2020

City	Result	City Management Response
Brea	The City of Brea (Brea) did not allocate interest to the Senior Mobility Program (SMP); Brea should have allocated and reported interest of \$471 to the program.	Brea will begin tracking these funds on a monthly basis and allocating interest, as appropriate.
	Brea continues to utilize California Yellow Cab to provide senior transportation services under an agreement that was competitively procured in 2013, for a one-year term, with an additional one-year option term.	Brea will procure a new contract through a competitive process that will include a specified term of more than five years. Brea is targeting July 1, 2021, for a new contract start date.
Costa Mesa	None	
Cypress	None	
Laguna Hills	The City of Laguna Hills (Laguna Hills) reported total SMP expenditures of \$36,754, on its expenditure report. Actual SMP expenditures, per the general ledger, detail totaled \$40,429. The variance resulted from Laguna Hills' failure to report administrative costs assessed to the SMP program.	Laguna Hills is in the process of revising its expenditure report and will resubmit to the Orange County Local Transportation Authority.
	Policy guidelines allow up to ten percent of total expenditures to be charged to the program for administrative costs. Laguna Hills charged \$33,721 in administrative/indirect costs to the SMP program, which exceeded the maximum allowed by \$32,029.	Laguna Hills will restore the overage of \$32,029 to the SMP program, and revise its expenditure report accordingly.
	One of four monthly reports tested was not submitted within 30 days of month end, as required.	The untimely filing of the April report was the result of the local emergency and health crisis.
Placentia	The City of Placentia (Placentia) did not allocate interest to the SMP program; Placentia should have allocated and reported interest of \$1,174, to the program.	Placentia will allocate back interest that should have been credited to the SMP program.
Stanton	None	

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2020

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR MOBILITY
PROGRAM**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2020

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2020. Please refer to the individual divider tab for our report on each Agency.

City of Brea

City of Costa Mesa

City of Cypress

City of Laguna Hills

City of Placentia

City of Stanton

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Brea's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, budget unit, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (110), various budget units, and account numbers. The City reported \$51,315 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$135,461 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$42,523 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$42,523; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$46,379 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$471 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total matching expenditures amounted to \$34,094 which was approximately 40% of the total expenditures of \$85,409 (M2 funded portion of \$51,315 and City's matching portion of \$34,094) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

Findings: We selected 40 Measure M2 Senior Mobility Program expenditures for inspection totaling \$23,607 representing approximately 46% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Brea, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City utilized California Yellow Cab to provide senior transportation services under the Senior Mobility Program. Crowe obtained and inspected the agreement and noted that the initial term of the agreement was from January 1, 2014 through December 31, 2014, with a provision to allow automatic renewal for "an additional one-year term by mutual agreement of both parties". Despite this language, the City indicated that the intention of the parties was for the agreement to continue annually in perpetuity unless cancelled in writing. As such, the City has not executed a new agreement, and has continued to operate under the original contract with California Yellow Cab through June 30, 2020, with no additional competitive procurement activities since 2013. Per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No other exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and

(Continued)

- b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the cooperative agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 30, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 31, 2020	-

No exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF BREA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u> 51,315</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u> \$ 51,315</u></u>

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



City of Brea

March 11, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Brea as of and for the fiscal year ended June 30, 2020.

Procedure #4

Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$471 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

City's Response:

Prior to FY 2015, the City was expending all SMP funds received on an annual basis. Therefore, there was no interest allocation required. Beginning with FY 2015, it appears that additional City funds were allocated to the program in excess of the required 20% match and therefore 100% of the Senior Mobility Program (SMP) funds were not spent each year. When this occurred interest was inadvertently not allocated to the unexpended balance. The City will be tracking these funds on a monthly basis going forward and allocating interest as appropriate through its quarterly interest allocation plan.

Procedure #9

Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
- b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City utilized California Yellow Cab to provide senior transportation services under the Senior Mobility Program. Crowe obtained and inspected the agreement and noted that the initial term of the agreement was from January 1, 2014 through December 31, 2014, with a provision to allow automatic renewal for "an additional one-year term by mutual agreement of both parties". Despite this language, the City indicated that the intention of the parties was for the agreement to continue annually in perpetuity unless cancelled in writing. As such, the City has not executed a new agreement, and has continued to operate under the original contract with California Yellow Cab through June 30, 2020, with no additional competitive procurement activities since 2013. Per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No other exceptions were found as a result of this procedure.

City's Response:

As indicated, City staff understood the contract language regarding the term supported the intention for this contract to renew annually unless cancelled in writing. Based on the feedback received as part of these agreed upon procedures, the City will be procuring a new contract through a new competitive process that includes a specified term of no more than five years with the intention to procure a new contract every five years through a competitive process. The City is targeting July 1, 2021 for a new contract start date.

 (for Bill Gallardo)

William Gallardo, City Manager



Cindy Russell, Administrative Services Director



Tony Olmos, Public Works Director

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF COSTA MESA

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its General Fund (101), and various program numbers. The City reported \$95,203 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$278,062 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$0 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$0; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$95,203 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We inspected the interest allocation methodology. The City of Costa Mesa methodology for interest calculation was to calculate the average monthly cash balance to determine if interest should be allocated to the program monthly for the fiscal year ended June 30, 2020. Given that the City had monthly negative cash balances for the entire fiscal year 20, no interest was allocated for the SMP for fiscal year 20. Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fare for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$24,296 which was approximately 20% of the total expenditures of \$119,499 (M2 funded portion of \$95,203 and City's matching portion of \$24,296) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$69,522 representing approximately 73% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Costa Mesa, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Transit Services, LLC to provide senior transportation services under the Senior Mobility Program. From inspecting the Keolis Transit Services, LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:


<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 31, 2019	-
December 2019	January 31, 2020	January 31, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 29, 2020	-

No exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management 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 and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 15, 2021

CITY OF COSTA MESA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u> 95,203</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u> \$ 95,203</u></u>

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Cypress' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (212), and various account numbers. The City reported \$31,763 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$165,191 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$79,671 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$79,671; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$57,890 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,322, which was calculated by multiplying the SMP average monthly cash balance of \$69,030 and the Measure M2 Fund interest rate of 1.92%. The City reported \$1,322 of interest income for the year ended June 30, 2019 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$7,941 which was approximately 20% of the total expenditures of \$39,704 (M2 funded portion of \$31,763 and City's matching portion of \$7,941) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

Findings: We selected 20 Measure M2 Senior Mobility Program expenditures for inspection totaling \$23,881 representing approximately 75% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Cypress and does not exceed a monthly income cutoff, as specified in the City's service plan and is 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the cooperative agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 18, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 19, 2020	-
June 2020	July 31, 2020	July 30, 2020	-

No exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management 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 and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 12, 2021

CITY OF CYPRESS, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u> 31,763</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u> \$ 31,763</u></u>

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

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Hills' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program Fund (221), and various object codes. The City reported total SMP expenditures of \$36,754 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2020. The actual total SMP expenditures per the general ledger detail was \$40,429, a variance of \$3,675. The variance was due to the City's failure to include 10 percent in administrative charges assessed to the program. No other exceptions were found as a result of the procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$112,259 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$66,393 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$66,393; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$38,126 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,869, which was calculated by multiplying the SMP average monthly cash balance of \$80,526 and the Measure M2 Fund interest rate of 2.32%. The City reported \$1,869 of interest income for the year ended June 30, 2019 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$10,107 which was approximately 20% of the total expenditures of \$50,536 (M2 funded portion of \$40,429 and City's matching portion of \$10,107) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

Findings: We selected nine Measure M2 Senior Mobility Program expenditures for inspection totaling \$33,763 representing approximately 84% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met

the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Laguna Hills, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines, administrative (non-direct) costs up to 10 percent of total expenditures (or specifically \$1,682 for FY20) are allowed and considered eligible program expenses. However, the City charged a total of \$33,721 in indirect and administrative costs to the Measure M2 Senior Mobility Program. The City utilized a fee study report to allocate overhead charges to labor rates for direct labor charged to the program. In addition, the City assessed 10 percent of total program expenditures. As a result, the City exceeded the threshold by \$32,029.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020).

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 9, 2020	-
February 2020	March 31, 2020	April 6, 2020	6
June 2020	July 31, 2020	July 22, 2020	-

Through inspection, we determined that one of the four reports was not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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


Crowe LLP

Costa Mesa, California
March 15, 2021

CITY OF LAGUNA HILLS, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 33,721
Other Senior Mobility Project U	<u>6,708</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 40,429</u></u>

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



CITY OF LAGUNA HILLS

March 12, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Laguna Hills as of and for the fiscal year ended June 30, 2020.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program Fund (221), and various object codes. The City reported total SMP expenditures of \$36,754 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2020. The actual total SMP expenditures per the general ledger detail was \$40,429, a variance of \$3,675. The variance was due to the City's failure to include 10 percent in administrative charges assessed to the program. No other exceptions were found as a result of the procedure.

City's Response:

The City agrees with the Finding and is in the process of revising its M2 Expenditure Report accordingly for the fiscal year ended June 30, 2020. The revised Expenditure Report will be resubmitted to OCTA.

Procedure #8

Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines, administrative (non-direct) costs up to 10 percent of total expenditures (or specifically \$1,682 for FY20) are allowed and considered eligible program expenses. However, the City charged a total of \$33,721 in indirect and administrative costs to the Measure M2 Senior Mobility Program. The City utilized a fee study report to allocate overhead charges to labor rates for direct labor charged to the program. In addition, the City assessed 10 percent of total program expenditures. As a result, the City exceeded the threshold by \$32,029.

City's Response:

The City agrees with the Finding. Consequently, the City will restore the overage of \$32,029 to the SMP program and a revised M2 Expenditure Report for the fiscal year ended June 30, 2020, will be resubmitted to OCTA accordingly.

Procedure #11

Obtain and sample four monthly summary operations reports, and determine whether the reports were properly prepared and submitted by the last day of the following month.

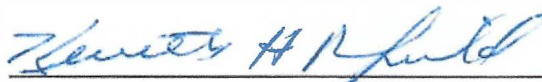
Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020).

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 9, 2020	-
February 2020	March 31, 2020	April 6, 2020	6
June 2020	July 31, 2020	July 22, 2020	-

Through inspection, we determined that one of the four reports was not submitted within 30 days of month end to OCTA. No other exceptions were found as a result of this procedure.

City's Response:

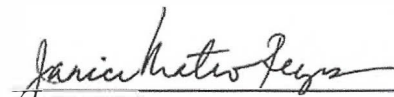
The City agrees with these findings. The untimely filing of the April monthly summary report was affected by the local emergency that was declared due to the COVID-19 health crisis.



Kenneth H. Rosenfield
Interim City Manager



David Reynolds
Deputy City Manager/Community Services Director



Janice Reyes
Finance Director

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Placentia's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its Measure M Fund (210), and various object codes. The City reported \$32,511 in the program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$764,874 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$61,577 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$61,577; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$59,016 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$61,577 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the ordinance. The total match expenditures amounted to \$8,128 which was approximately 20% of the total expenditures of \$40,639 (M2 funded portion of \$32,511 and City's matching portion of \$8,128) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

Findings: We selected seven Measure M2 Senior Mobility Program expenditures for inspection totaling \$24,582 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Placentia, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Transit Services, LLC to provide senior transportation services under the Senior Mobility Program. From inspecting the Keolis Transit Services, LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 19, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 30, 2020	-

No exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF PLACENTIA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u> 32,511</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u> \$ 32,511</u></u>

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

Exhibit 1

Mayor
CRAIG S. GREEN

Mayor Pro Tem
CHAD P. WANKE

Councilmembers:
RHONDA SHADER
WARD L. SMITH
JEREMY B. YAMAGUCHI

The People are the City



City Clerk:
ROBERT S. MCKINNELL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

March 11, 2021

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

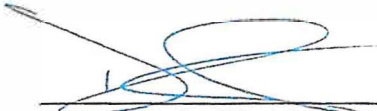
The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Placentia as of and for the fiscal year ended June 30, 2020.

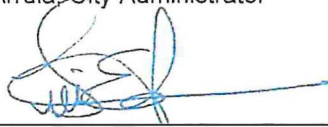
Procedure #4

Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$1,174 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

City's Response: The city agrees that interest was not allocated to the Senior Mobility Program. The city will restore and allocate back the interest that should have been allocated.


Damien Arrula, City Administrator


Luis Estevez, Deputy City Administrator


Jessica Brown, Finance Director

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

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Stanton's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and account number. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Fund (251), and various account numbers. The City reported \$15,178 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$102,706 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$37,002 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$37,002; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$46,113 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We inspected the interest allocation methodology. The City of Stanton methodology for interest calculation was to calculate the average cash balance for the entire FY to determine if interest should be allocated to the program for the fiscal year ended June 30, 2020. Given that the City had an average cash balance of the program was (\$2,064), no interest was allocated for the SMP for fiscal year 20. Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditure, scanned for the types and sources of matching and agreed to supporting documentation, such as invoice, to determine whether the match amounts were justifiable and acceptable under the ordinance. The total match expenditures amounted to \$6,563 which was approximately 30% of the total expenditures of \$21,741 (M2 funded portion of \$15,178 and City's matching portion of \$6,563) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

Findings: We selected 12 Measure M2 Senior Mobility Program expenditures for inspection totaling \$11,401 representing approximately 75% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Stanton, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$1,976 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs of \$1,976 were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We calculated and noted that the percentage of the administrative costs were 9.1% of the total M2 expenditure of \$21,741 (M2 funded portion of \$15,178 and City's matching portion of \$6,563) which did not exceed 10%, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel and inspection of general ledger detail of expenditures, the City did not contract with a third-party provider to provide senior transportation services under the Senior Mobility Program. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the City of Stanton that used in-house staff to provide services for the Senior Mobility Program, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 21, 2020	-
February 2020	March 31, 2020	March 17, 2020	-
June 2020	July 31, 2020	July 20, 2020	-

No exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management 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 and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF STANTON, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,976
Other Senior Mobility Project U	<u>13,202</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 15,178</u></u>

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

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR NON-EMERGENCY
MEDICAL TRANSPORTATION PROGRAM**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2020

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR NON-EMERGENCY
MEDICAL TRANSPORTATION PROGRAM**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2020

The County of Orange was selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2020.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
COUNTY OF ORANGE

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 below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the County of Orange's (County) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The County's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the County compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. 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 associated findings were as follows:

1. Obtain and read the Cooperative Agreement between OCLTA and the County of Orange and determine that the agreement was properly approved and executed.

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

2. Describe which funds the County used to track expenditures relating to Senior Non-Emergency Medical Transportation Program (SNEMT) monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on schedule 2 of expenditure report. Explain any differences.

Findings: The County's expenditures relating to the Measure M2 Senior Non-Emergency Medical Transportation Program were tracked in the general ledger by fund, and account. The County recorded its SNEMT expenditures in its General Fund (100) and various accounts. The County reported \$2,773,820 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the M2-funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 SNEMT payments made from OCLTA to the County and calculate the amount the County has received for the past three fiscal years. Obtain the cash balance of the County's SNEMT funds as of June 30, 2020 and determine whether funds are expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on schedule 2 of the County's Expenditure Report. Explain any differences.

Findings: The County received \$9,016,941 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$967,112 from the general ledger detail to the fund balance reported in the County's Expenditure Report (Schedule 1, line 24) of \$967,112; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$3,303,196 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the County's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the County's interest allocation methodology is adequate to ensure the proper amount of interest was credited to the Measure M2 SNEMT fund.

Findings: We obtained the County's interest allocation methodology. We identified interest income of \$19,117, which was calculated by multiplying the SNEMT average monthly cash balance of \$1,016,885 and the Measure M2 Fund average monthly interest rate of 1.88%. The County reported \$19,117 of interest income for the year ended June 30, 2020 which agreed to the County's Expenditure Report (Schedule 2, Line 8 for Project U). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

5. Determine the amount of Tobacco Settlement funds required to be funded by the County for the fiscal year ending June 30, 2020 (e.g. obtain from OCLTA the percentage requirement and apply to the annual state allocation of Tobacco Settlement funds for the year under review).

Findings: Crowe obtained the percentage requirement of 5.27% from OCLTA and applied to the annual state allocation of \$29,606,734 of Tobacco Settlement funds for the year under review. Crowe determined the amount of Tobacco Settlement funds required to be funded by the County for the fiscal year ending June 30, 2020 was \$1,560,275. No exceptions were found as a result of this procedure.

6. Determine that the County funded the required annual amount of Tobacco Settlement funds on the SNEMT program and select a sample from the general ledger to determine whether the expenditures are related to the SNEMT program.

Findings: Crowe determined the County funded \$1,665,887 of Tobacco Settlement funds to the SNEMT program which exceeded the required annual amount to be funded of \$1,560,275. We inspected Measure M2 SNEMT expenditures funded by Tobacco Settlement funds totaling \$1,099,260 representing 75% of total expenditures funded by Tobacco Settlement for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for SNEMT and met the requirements. No exceptions were found as a result of this procedure.

7. Select a sample of Measure M2 SNEMT expenditures from the County's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for the SNEMT program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy guidelines and the cooperative agreement.

Findings: We inspected M2 SNEMT expenditures totaling \$2,501,341, representing 91% of total direct Measure M2 SNEMT expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for SNEMT and met the requirements outlined in the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement C-1-2583 between the Orange County Transportation Authority and County of Orange for Senior Non-Emergency Medical Transportation Program (cooperative agreement). No exceptions were found as a result of this procedure.

8. Inquire as to the procedures used by the County to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the SNEMT program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The County then verifies that the applicant is a resident of County of Orange, and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

9. Identify whether or not indirect costs were charged as Measure M2 SNEMT expenditures. If applicable, compare indirect costs identified to the amount reported on the County's Expenditure Report. Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Per discussions with the County's accounting personnel and inspection of the general ledger expenditure detail, \$16,678 of indirect costs were identified as Measure M2 SNEMT expenditures for the fiscal year ended June 30, 2020. We inspected Measure M2 SNEMT expenditures totaling \$9,864 representing 59% of total indirect costs expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for SNEMT and met the requirements outlined in the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. In addition, we determined that the indirect SNEMT costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

10. Determine if the County contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with County personnel, the County contracted with Age Well, and Abrazar to provide non-emergency medical transportation for adults age 60 and older, and who lack other reasonable means of medical-related transportation. From inspecting the Age Well and Abrazar procurement documents, we found that the contractors were selected using a competitive procurement process. In addition, per inspection of the original contracts, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

11. Obtain the proof of insurance coverage for the County's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement; and
 - b. Determine whether current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

(Continued)

Findings: We obtained and inspected the insurance coverage for the contractors, and determined that the requirements established in the cooperative agreement were met. Additionally, the current year proof of insurance for the County's contractors was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

12. Obtain the quarterly summary reports and determine the reports were properly prepared and submitted within forty-five (45) days.

Findings: We inspected all four quarterly summary reports (September 2019, December 2019, March 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 45 days of the following quarter end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
September 2019	November 15, 2019	November 5, 2019	-
December 2019	February 15, 2020	February 10, 2020	-
March 2020	May 15, 2020	April 27, 2020	-
June 2020	August 15, 2020	August 6, 2020	-

No exceptions were found as a result of this procedure.

13. Inspect the four quarterly SNET reports during fiscal year 20 and determine whether the quarterly reports had indicated % of actual expenditures to be higher than 75% (Year to Date Actuals / Year to Date Budget). If the percentage of actual expenditures are higher than 75%, inquire with the County whether they had implemented prioritization of trips. Also, determine whether actual expenditures exceeded available program funding and whether OCLTA was notified as required.

Findings: Based upon inspection of the four quarterly SNET reports during Fiscal Year 2020, the fourth quarter report indicated actual expenditures to be 83% of budgeted expenditures. Per the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement, the County may implement prioritization of trips; however, the County decided not to implement it. Crowe determined the actual expenditures for FY20 did not exceed available program funding. No exceptions were found as a result of this procedure.

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 accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County's management 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 and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 11, 2021

COUNTY OF ORANGE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR NON-EMERGENCY MEDICAL TRANSPORTATION
PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Non-Emergency Medical Transportation Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 16,678
Other Senior Non-Emergency Medical Transportation Project U	<u>2,757,142</u>
 Total Measure M2 Senior Non-Emergency Medical Transportation Expenditures	 <u><u>\$ 2,773,820</u></u>

Note: The above amounts were taken directly from the financial records of the County of Orange and were not audited.



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Approval to Sell Surplus Land

Finance and Administration Committee Meeting of March 24, 2021

Present: Directors Goodell, Harper, Hennessey, Hernandez, Jones, and Muller

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 5-1 by the Members present.

Director Muller opposed voting on this item.

Committee Recommendations

- A. Declare the 0.36-acre parcel located within the Trabuco Rose Preserve as surplus land, pursuant to Government Code Section 54221(b), that is no longer necessary for the Orange County Transportation Authority's use.
- B. Direct staff to sell the surplus land parcel located within the Trabuco Rose Preserve.
- C. Authorize the Chief Executive Officer to execute the necessary documents to complete the sale of the surplus land for the offer price of \$13,400.

Committee Discussion

At the March 24th Finance and Administration (F&A) Committee meeting discussion ensued about the sale of this property, and Committee Chairman Hennessey requested that staff provide additional information on the history of the Trabuco Rose Preserve purchase and the survey completed by the American Land Title Association.



March 24, 2021

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Approval to Sell Surplus Land

Overview

As part of the Measure M2 Freeway Environmental Mitigation Program, the Orange County Transportation Authority acquired the Trabuco Rose Preserve, formerly Ferber Ranch, to be maintained in perpetuity as a conservation property. A small portion of the Trabuco Rose Preserve, determined to have no biological value, is recommended to be sold as surplus land to an adjacent property by the Orange County Transportation Authority; therefore, staff is seeking approval to sell a portion of the Trabuco Rose Preserve as surplus land under the Surplus Land Act (Government Code Section 54220 et seq.).

Recommendations

- A. Declare the 0.36-acre parcel located within the Trabuco Rose Preserve as surplus land, pursuant to Government Code Section 54221(b), that is no longer necessary for the Orange County Transportation Authority's use.
- B. Direct staff to sell the surplus land parcel located within the Trabuco Rose Preserve.
- C. Authorize the Chief Executive Officer to execute the necessary documents to complete the sale of the surplus land for the offer price of \$13,400.

Background

As part of Measure M2 (M2), approved by voters in 2006, the Orange County Transportation Authority (OCTA) established the Freeway Environmental Mitigation Program (EMP) for the purpose of permanently preserving open space and restoring habitat in exchange for streamlined project approvals for M2 freeway improvement projects. In May 2011, as part of the EMP, OCTA acquired the Trabuco Rose Preserve (Preserve) to be maintained in perpetuity as a

conservation property. The 399-acre Preserve was acquired for \$12.76 million. The Preserve is located northwest of the City of Rancho Santa Margarita in Trabuco Canyon, and is accessible via Trabuco Oaks Road and Rose Canyon Road. This property is predominantly adjacent to undeveloped land on the east and rural residential development on the west. The Preserve includes a five-acre parcel that is bisected by an access road, Hickey Canyon Road, traversing in a north/south direction (Attachment A).

In February 2018, Eric Wintemute (Owner), the new owner of a property adjacent to the Preserve, performed a property boundary survey and determined that existing improvements on his property encroached on 0.36-acres of the Preserve. Specifically, the Owner's corral and ancillary structure encroached on approximately 0.29-acres of the Preserve (Attachment B). In addition, the Owner is obligated to perform fuel modifications (weed abatement) on the property to comply with the 100-foot setback from habitable structures, as required by the Orange County Fire Authority. Therefore, a small portion of this area needed for fuel modification (0.07-acres) is also situated on the Preserve (Attachment B). The 0.29-acres and 0.07-acres of the Preserve are collectively identified as the encroachment area.

After learning that the corral and ancillary structure on his newly purchased property encroached on the Preserve, the Owner approached OCTA to remedy the situation. An evaluation determined that the encroachment area has no biological value, and the sale of the 0.36-acre area does not affect the integrity of the biological resources of the overall 399-acre Preserve. The state and federal resource agencies, including OCTA's Environmental Oversight Committee (EOC), concur with this assessment and do not object to the sale of the of encroachment area. Therefore, staff recommends the encroachment area be sold as surplus land under the Surplus Land Act (Government Code Section 54220 et seq.), as it is no longer necessary for OCTA's use for preservation purposes.

Discussion

The recently enacted Surplus Land Act changed the procedures for the sale of surplus land by local agencies. It requires OCTA to send notices of availability of surplus land to various public and private entities and engage in good-faith negotiations with any parties that, within 60 days, express interest to purchase or lease the land for purposes specified in the Surplus Land Act. OCTA staff mailed notices of availability on October 6 and 7, 2020, respectively. Although OCTA staff received three inquiries related to the sale, no entities expressed interest to purchase or lease the land. Thereafter, as further required by the Surplus Land Act, OCTA provided information regarding the proposed sale to the California Department of Housing and Community Development (DHCD), including the mandatory affordable housing restrictions to be recorded on the

property, and timely responded to written findings received by the DHCD. The Surplus Land Act requirements have been satisfied; therefore, OCTA can proceed with the proposed disposition of the land.

Since 2018, when the encroachment was identified, the Owner has been working with OCTA to potentially acquire the property. On October 25, 2018, OCTA staff presented this matter to OCTA's EOC with a recommendation for the EOC to endorse staff's recommendation to sell 0.36 acre of the Preserve to the adjacent property Owner, subject to a fair market appraisal. The EOC, which monitors and makes recommendations regarding the EMP, endorsed staff's recommendation to sell the encroachment area to the Owner.

OCTA used the services of its consultant, CBRE, Inc., for commercial brokerage services to facilitate the sale of the encroachment area. CBRE, Inc. received an offer from the Owner to purchase the encroachment area for the appraised value. The 0.36 acre of encroachment area was appraised in 2018 with a value of \$13,400. The Owner has agreed to pay the closing costs for this transaction, less CBRE, Inc. commission, which shall be paid by OCTA through an escrow.

Fiscal Impact

Proceeds from the surplus land sale will be returned to the M2 EMP fund.

Summary

Staff recommends the Board of Directors formally declare the 0.36-acre parcel located within the Preserve as surplus land, pursuant to Government Code Section 54221(b), that is no longer necessary for OCTA's use, and authorize the Chief Executive Officer to negotiate and execute a purchase and sale agreement with the Owner for the sale price of \$13,400.

Attachments

- A. Trabuco Rose Preserve Map
- B. Proposed Surplus Land Area Map

Prepared by:

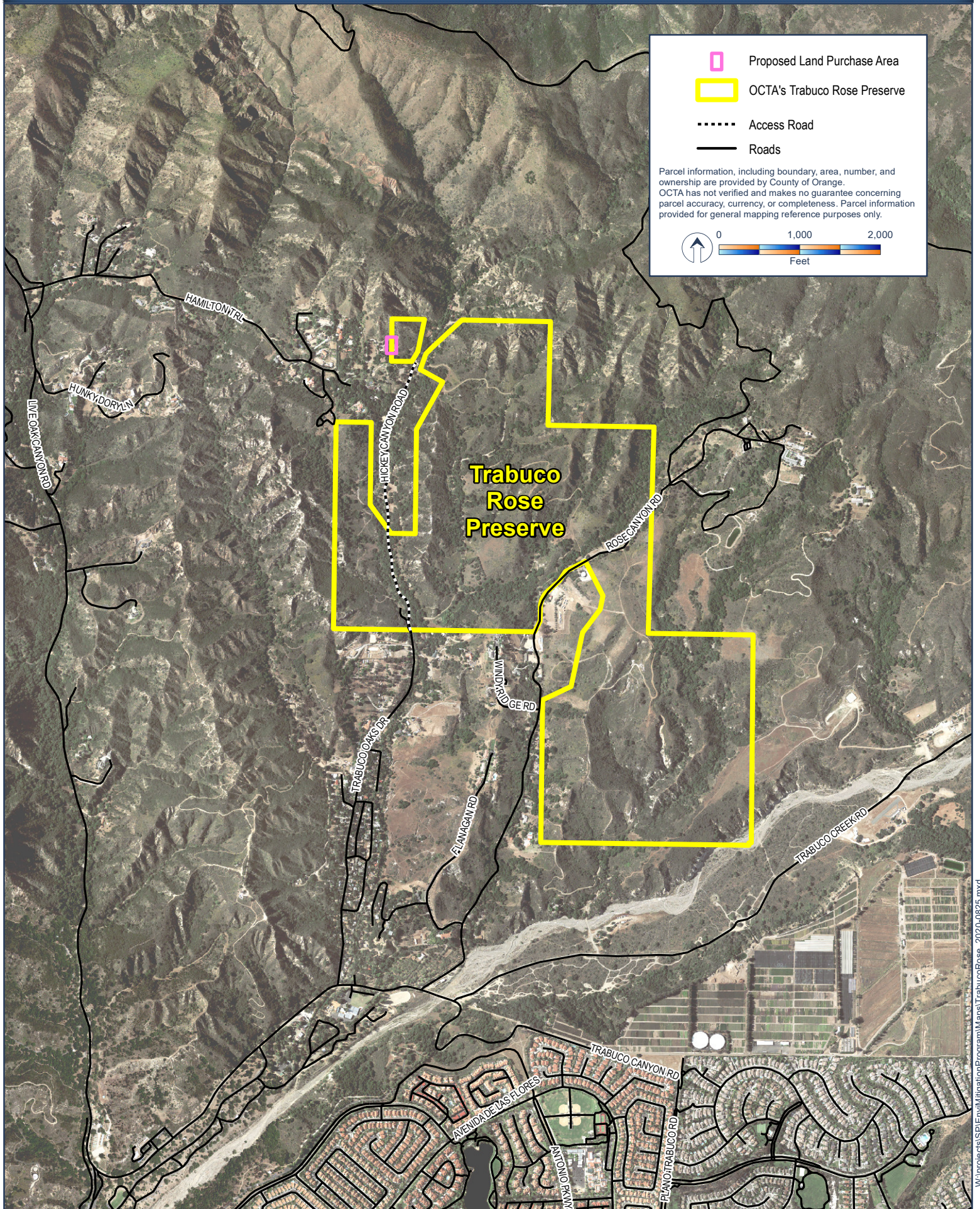


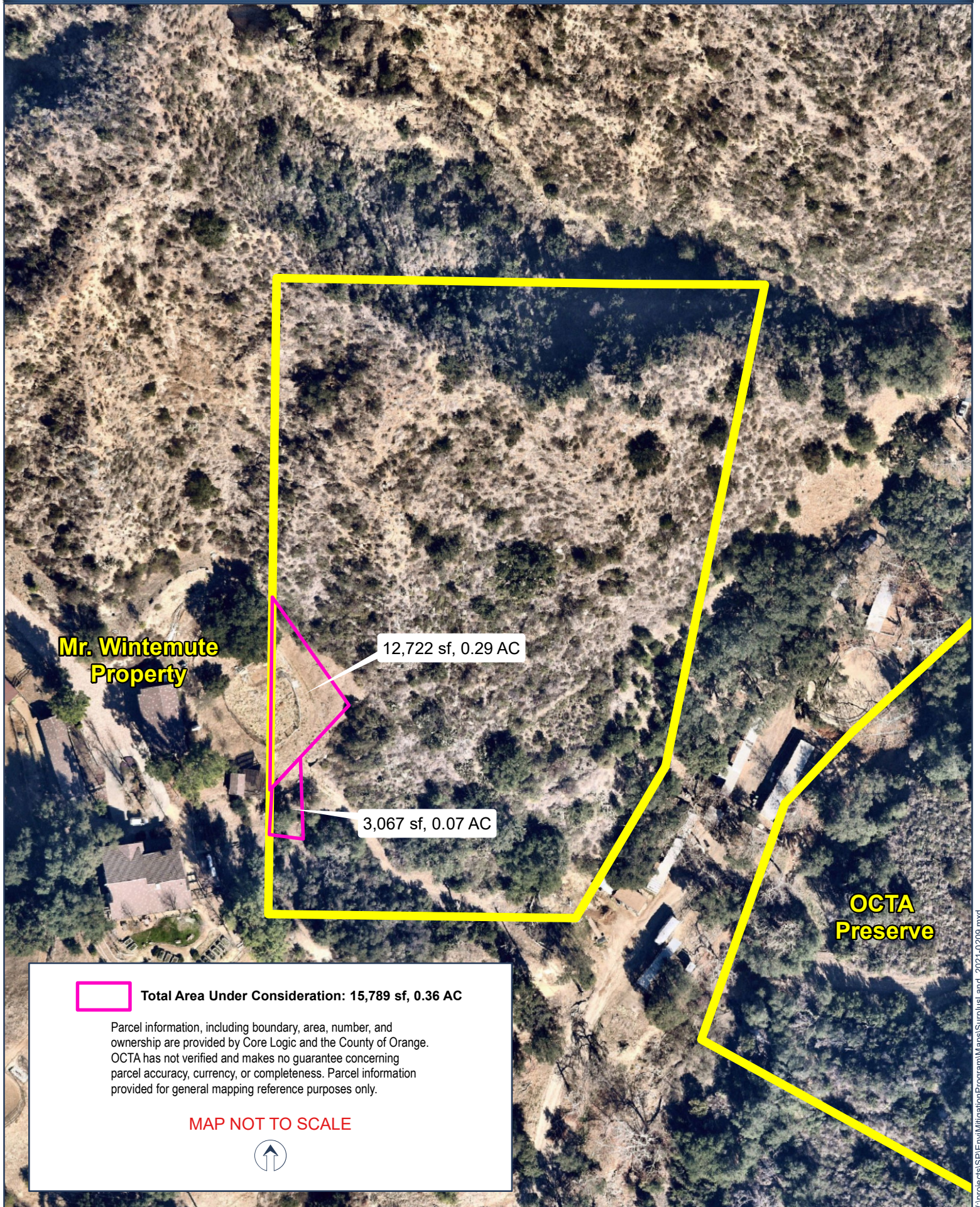
Joe Gallardo
Manager, Real Property
(714) 560-5546

Approved by:



James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646







COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Consultant Selection for Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Regional Planning and Highways Committee Meeting of April 5, 2021

Present: Directors Bartlett, Chaffee, Delgleize, Harper, Hernandez, Murphy, and Sarmiento

Absent: Director Muller

Committee Vote

Following the roll call vote, this item was declared passed 7-0 by the Members present.


Committee Recommendations

- A. Approve the selection of AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2582 between the Orange County Transportation Authority and AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5..



April 5, 2021

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Consultant Selection for Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Overview

On October 26, 2020, the Orange County Transportation Authority Board of Directors authorized the release of a request for proposals to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5. Board of Directors' approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Approve the selection of AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2582 between the Orange County Transportation Authority and AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.

Discussion

The Orange County Transportation Authority (OCTA), in partnership with the California Department of Transportation (Caltrans), is implementing the State Route 55 (SR-55) Improvement Project between Interstate (I-405) and Interstate 5 (I-5) (Project). The Project is part of Project F in the Measure M2 (M2) Freeway Program and is being advanced through the updated Next 10 Delivery Plan approved by the OCTA Board of Directors (Board) in November 2019.

The four-mile long Project will add general purpose and high-occupancy vehicle (HOV) lanes in each direction between I-405 and I-5 and will also add auxiliary lanes between interchanges. The final design package will be submitted to Caltrans in April 2021, and is close to being ready for construction. The construction contract is expected to be advertised in December 2021.

Cooperative Agreement No. C-0-2726 between Caltrans and OCTA outlines the responsibilities of both agencies for the Project, and was approved by the Board on January 11, 2021. As specified in the cooperative agreement, Caltrans will be the implementing agency responsible for advertisement, award, and administration of the construction contract. Caltrans will also provide the resident engineer and structures representative, and other field personnel, along with construction administrative support and environmental monitoring. OCTA will retain a construction management (CM) consultant firm to supplement Caltrans staff with structural, roadway, and electrical inspection, office engineering, field surveying, materials testing, and claims support services. OCTA's consultant will also provide a field office to house construction staff working on the Project. Through separate contracts, OCTA will lead the public outreach and freeway service patrol efforts.

Procurement Approach

This procurement was handled in accordance with Board-approved procedures for architectural and engineering (A&E) services that conform to both federal and state laws. Proposals are evaluated and ranked in accordance with the qualifications of the firm, staffing and project organization, and work plan. As this is an A&E procurement, pursuant to state and federal laws, price is not an evaluation criterion. Evaluation of the proposals was conducted based on overall qualifications to develop a competitive range of offerors. The highest-ranked firm is requested to submit a cost proposal, and the final agreement is negotiated. Should negotiations fail with the highest-ranked firm, a cost proposal will be solicited from the second-ranked firm in accordance with Board-approved procurement policies.

On October 26, 2020, Request for Proposals (RFP) 0-2582 was issued electronically on CAMM NET. The RFP was advertised in a newspaper of general circulation on October 27, 2020 and November 3, 2020. A pre-proposal conference was held on November 3, 2020, with 33 attendees representing 22 firms. Four addenda were issued to make available the pre-proposal conference registration sheets and presentation materials, provide responses to questions received, and address administrative issues related to the RFP.

On December 1, 2020, three proposals were received. An evaluation committee consisting of staff from OCTA's Contracts Administration and Materials Management and Highway Programs departments, as well as external representatives from Caltrans and the City of Santa Ana, met to review all submitted proposals. The proposals were evaluated based on the following Board-approved evaluation criteria and weightings:

- Qualifications of the Firm 20 percent
- Staffing and Project Organization 40 percent
- Work Plan 40 percent

In developing the criteria and weightings, several factors were considered. The firm's qualifications and experience in performing relevant work of similar scope, size, and complexity are important to the success of the Project. Next, staff assigned a high level of importance to staffing and project organization, as the qualifications of the project manager and other key task leaders are critical to understanding the Project requirements and to the timely delivery and successful performance of the work. An equal level of importance is also assigned to the work plan, as an understanding of freeway construction and other required critical activities, such as utility relocations and coordination, control of the contractor's work within temporary construction easement limits, and management of anticipated critical work elements in the risk register is critical to the success of the Project.

The evaluation committee reviewed and discussed all proposals based on the evaluation criteria and found two firms most qualified to perform the required services. The most qualified firms are listed below in alphabetical order:

Firms and Location

AECOM Technical Services, Inc. (AECOM)
Orange, California

WSP USA Inc. (WSP)
Orange, California

On January 27, 2021, the evaluation committee interviewed the two short-listed firms. The interviews consisted of a presentation allowing each team to discuss its qualifications, highlight its proposal, and respond to evaluation committee questions. Each firm highlighted its staffing plan, work plan, and perceived Project issues. The firms were asked general questions regarding their approach to the requirements of the scope of work (SOW), management of the Project,

coordination with various agencies, experiences with similar projects, and solutions in achieving the Project goals. After considering the presentations and responses to questions asked during the interviews, the evaluation committee adjusted the preliminary scores for both firms. However, AECOM remained as the top-ranked firm with the highest cumulative score.

Based on the evaluation of the written proposals and information obtained during the interviews, the evaluation committee recommends AECOM as the top-ranked firm to provide CM support services for the Project. AECOM submitted a comprehensive proposal that was responsive to the requirements of the RFP and presented a cohesive interview highlighting the firm's experience, staffing, and the technical approach to the work plan.

Qualifications of the Firm

Both short-listed firms are qualified to perform the required services. Each firm received positive references. The two short-listed firms demonstrated expertise in delivering and managing CM services. Both firms are established firms with relevant resources and experience providing construction inspection services for freeway and bridge widening projects.

AECOM is a global firm that was founded in 1927 and has specialized in transportation-related construction projects for the last 20 years. More than 75 percent of its CM services work is for highway and bridge projects with Caltrans. The firm has six offices in southern California, and over 150 CM staff in the western United States. AECOM has provided CM support services for freeway widening, roadway improvement, interchange/overcrossing replacement, and bridge replacement projects as a prime consultant and as part of an integrated team, including 60 projects in Orange County, 20 of which involved Caltrans.

AECOM has demonstrated proficiency in providing CM support services such as inspection for freeway widening, street improvements, bridge and retaining wall construction, and electrical installation, traffic management, oversight of utility relocations, office engineering, scheduling, claims analysis, constructability review, and Caltrans and public agency coordination. Similar project experience includes CM services on OCTA's State Route 91 (SR-91) westbound widening between State Route 57 (SR-57) and I-5, and I-405 Improvement Project between State Route 73 and Interstate 605 (I-605), Caltrans' I-5/EI Camino Real road bridge widening, State Route 22 (SR-22) widening safety improvement, State Route 210 slab replacement and rehabilitation between I-5 and Wheatland Avenue, and I-5 north corridor improvements Segment 3 between

Buena Vista Street and Magnolia Boulevard and Segment 4 between Magnolia Boulevard and I-5/State Route 134 projects. The proposed subconsultants have experience working with AECOM and will support AECOM with additional construction inspection, field materials testing, and survey services.

WSP is a national firm that was founded in 1885 and has specialized in transportation-related construction projects for the last 30 years. The firm has four offices in southern California with 500 employees, including 135 CM staff in California. WSP has provided CM support services in southern California for freeway widening, roadway improvement, interchange/overcrossing replacement, and bridge replacement projects as a prime consultant and as part of an integrated team.

WSP has demonstrated proficiency in providing CM support services such as inspection for highway, retaining wall and bridge construction, and electrical installation, traffic management, office engineering, scheduling, claims analysis, and Caltrans and public agency coordination. Examples of relevant experience include CM support services for the Transportation Corridor Agency's on-call program and signage enhancements, Riverside County Transportation Commission's Interstate 15 Express Lanes, San Bernardino County Transportation Authority's Interstate 10 (I-10)/Cedar Avenue interchange, Alameda Corridor East Fairway Drive grade separation and Lemon Avenue interchange, and Caltrans I-10 corridor express lanes projects. Most of the proposed subconsultants have experience working with WSP and will support WSP with additional construction inspection, office engineering, field materials testing, and survey services.

Staffing and Project Organization

Both short-listed firms proposed qualified project managers, key personnel, and subconsultants with relevant CM experience in freeway and bridge widening, and roadway and structure inspection.

AECOM proposed a qualified project team with each key personnel demonstrating relevant and comprehensive CM experience with freeway and bridge widening projects. The team has demonstrated experience in roadway and structures inspections, utility relocations, large concrete channel construction, traffic management plan and staging, and has extensive experience with Caltrans. AECOM's proposed project manager (PM) has 23 years of CM experience on similar freeway/bridge construction projects, and performed the PM role for the SR-91 westbound widening between SR-57 and I-5 project, and

Caltrans Districts 7 and 8 highway construction inspection/engineering contracts.

AECOM's proposed senior roadway inspector has successfully delivered freeway and bridge widening, bridge replacement, and interchange improvement projects for over 29 years. The proposed personnel was a former Caltrans employee and managed both the SR-57/State Route 60 HOV interchange and the I-10 widening projects in Los Angeles County as a senior resident engineer (RE), and the I-5 reconstruction from Katella Avenue to State College Boulevard project in the City of Anaheim as a RE. Relevant experience includes serving as the RE for OCTA's Tustin Avenue/Rose Drive railroad grade separation project in the cities of Anaheim and Placentia, lead assistant RE for the I-5/El Camino Real road bridge widening project in the City of San Clemente, and lead assistant RE for the SR-22 widening safety improvement project.

AECOM presented a team with a majority of proposed staff that are cross-trained in multiple disciplines, including roadway inspection, structures inspection, contract administration, Stormwater Pollution Prevention Plan, claims support, and scheduling. Having a pool of cross-trained personnel provides efficiencies for OCTA by quickly mobilizing personnel that can bring different perspectives to the work based on the team's varied experiences, allowing the team to resolve problems quickly.

The AECOM team presented an interview demonstrating comprehensive knowledge of its proposed approach to the SOW, and all team members contributed detailed responses to interview questions.

WSP proposed a qualified project team with CM experience. The team's expertise includes a range of relevant CM services, including CM, roadway inspection, structural engineering and inspection, electrical inspection, and scheduling support, among other relevant expertise. WSP's proposed PM has over 28 years of project management, CM, and design experience, including eight years with Caltrans District 12. Relevant PM experience includes the I-5 HOV improvement Segment 2 from Avenida Vista Hermosa to Pacific Coast Highway, I-5 HOV widening from SR-55 to SR-57, and I-405/I-605 HOV connector projects.

WSP's proposed senior roadway inspector brings 29 years of experience with Caltrans Districts 7 and 12 in all aspects of highway construction and design. Relevant project experience includes senior RE for the I-5 HOV improvement

Segment 1 from Avenida Pico to Avenida Vista Hermosa, I-405/SR-22 HOV connector, and I-405/I-605 HOV connector projects.

The proposed PM and key personnel were responsive to interview questions; however, there was limited participation from other personnel, which indicated less team cohesion. In addition, some responses to specific questions were general.

Work Plan

Both short-listed firms met the requirements of the RFP, and each firm discussed its approach to the Project, identified risks, and discussed utility relocation, quality, budget, and schedule control methods.

AECOM presented a Project-specific and comprehensive work plan. The work plan included a complete discussion of Project issues and challenges with realistic recommendations and proposed solutions demonstrating the firm's knowledge and experience. Solutions to challenges included timely monitoring of utility relocations for the Southern California Edison (SCE) transmission lines and poles and the City of Santa Ana water pressure reducing station and waterlines, proactive management of temporary construction easements (TCE) to minimize impacts to businesses, identification of time-saving construction staging, early and continuous coordination with the Orange County Flood Control District (OCFCD) for the Lane Channel reconstruction, and proactive documentation for claims prevention. The approach to the Lane Channel reconstruction was further emphasized at the interview by the senior roadway inspector, formerly an OCFCD employee. A recommendation was proposed for an early meeting with the contractor and OCFCD to refine the work plan, shoring requirements, materials, and stormwater diversion plan. The work plan also identified many critical issues that may be encountered, along with mitigations. A detailed construction schedule was provided with potential schedule savings related to railroad and bridge work. The AECOM team presented an interview demonstrating comprehensive knowledge of its proposed approach to the SOW, and all team members contributed detailed responses to interview questions.

WSP also presented a comprehensive work plan with a Project-specific approach for all plan elements. The team demonstrated a good understanding of the overall Project issues and challenges. The work plan identified challenges and proposed solutions for utility relocations of SCE and City of Santa Ana facilities, Lane Channel reconstruction, bridge and retaining wall construction, construction staging, and TCEs. The sequential outline of activities provided clear delineation of personnel responsibility by task throughout the Project.

A detailed construction schedule was provided with key staging modifications highlighted. The WSP team presented an interview demonstrating knowledge of its proposed approach to the SOW. The proposed PM and key personnel were responsive to interview questions; however, there was limited participation from other personnel and some responses to specific questions were general.

Procurement Summary

Based on the evaluation of the written proposals, team qualifications, and information obtained during the interviews, the evaluation committee recommends the selection of AECOM as the top-ranked firm to provide CM support services for the Project.

Fiscal Impact

The Project is included in OCTA's Fiscal Year (FY) 2020-21 Budget and subsequent FY budgets, Capital Programs Division, Account No. 0017-9085-FF101-1OP, and will be funded with federal and local M2 funds.

Summary

Staff requests Board of Directors' approval for the Chief Executive Officer to negotiate and execute Agreement No. C-0-2582 with AECOM Technical Services, Inc., as the firm to provide construction management support services for the State Route 55 Improvement Project between Interstate 405 and Interstate 5.

Attachments

- A. Review of Proposals, RFP 0-2582 Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5
- B. Proposal Evaluation Criteria Matrix (Short-Listed), RFP 0-2582 Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5
- C. Contract History for the Past Two Years, RFP 0-2582, Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Prepared by:



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Program Manager
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Pia Veasapen
Director, Contracts Administration and
Materials Management
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Approved by:



James G. Beil, P.E.
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Review of Proposals
RFP 0-2582 Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5
Presented to the Regional Planning and Highways Committee - April 5, 2021

3 proposals were received, 2 firms were interviewed, 1 firm is being recommended

Overall Ranking	Overall Score	Firm & Location	Subcontractors	Evaluation Committee Comments
1	92	AECOM Technical Services, Inc. Orange, California	Fountainhead Consulting Corporation HDR Construction Control Corporation Analyzer International, Inc. Ghirardelli Associates, Inc. V&A, Inc. Ninyo & Moore Gulda Surveying, Inc.	Highest-ranked proposal. Firm has served as prime consultant providing consultant management (CM) support services on numerous freeway/bridge widening projects. Key personnel have CM experience on freeway and bridge widening projects. Proposed project manager (PM) has 23 years of relevant CM experience. Proposed senior roadway inspector has 29 years of relevant CM experience. Proposed project team demonstrated experience working together. Proposed subconsultants to provide construction inspection, survey, and materials testing services. Comprehensive and project-specific work plan. Thorough responses to questions and broad interview participation of key personnel. Received positive responses from references.
2	87	WSP USA Inc. Orange, California	Coast Surveying Construction Quality Management Solutions, Inc. Dynamic Engineering Services, Inc. FCG Consultants Inc. Leighton Consulting RT Engineering & Associates TRC Engineers, Inc. T.Y. Lin International	Experience providing CM support services on numerous freeway/bridge widening projects. Key personnel have wide range of CM experience on freeway and bridge widening projects. Proposed PM has 28 years of relevant CM experience. Proposed senior roadway inspector has 29 years of relevant CM experience. Proposed project team demonstrated experience working together; however, proposed PM, senior roadway engineer, and structural inspector have been with WSP USA Inc., for only one year. Proposed subconsultants to provide construction inspection, materials testing, survey, and office engineering services. Comprehensive work plan with a project-specific approach across most plan elements. Proposed PM was responsive to interview questions, but participation was limited from some of the other key personnel. Received positive responses from references.

Evaluation Panel: Six Members

Internal:

Contracts Administration and Materials Management (1)
Highway Programs (2)

External:

California Department of Transportation (2)
City of Santa Ana (1)

Evaluation Criteria:

Qualifications of the Firm
Staffing and Project Organization
Work Plan

Weight Factors

20 percent
40 percent
40 percent

PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed)
RFP 0-2582 Construction Management Support Services for the
State Route 55 Improvement Project Between Interstate 405 and Interstate 5

AECOM Technical Services, Inc.								
Evaluator Number	1	2	3	4	5	6	Weights	Criteria Score
Qualifications of Firm	4.5	4.5	4.0	4.5	4.5	4.5	4	17.7
Staffing/Project Organization	5.0	4.5	4.5	4.5	5.0	4.5	8	37.3
Work Plan	5.0	4.5	4.5	4.5	4.5	4.5	8	36.7
Overall Score	98.0	90.0	88.0	90.0	94.0	90.0		92

WSP USA, Inc.								
Evaluator Number	1	2	3	4	5	6	Weights	Criteria Score
Qualifications of Firm	4.5	4.5	4.0	4.0	4.5	4.5	4	17.3
Staffing/Project Organization	4.5	4.0	4.5	4.0	4.0	4.0	8	33.3
Work Plan	4.5	4.5	4.5	4.5	4.5	4.5	8	36.0
Overall Score	90.0	86.0	88.0	84.0	86.0	86.0		87

The score for the non-short-listed firm was 65.

RFP 0-2582

Construction Management Support Services for the State Route 55 Improvement Project Between Interstate 405 and Interstate 5

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
AECOM Technical Services, Inc.	C-3-1433	Project report and environmental document for the Interstate 5 Improvement Project from north of Interstate 405 to State Route 55	May 8, 2014	December 31, 2020		
Contract Type: Firm-Fixed Price					\$	7,463,942
Subconsultants:						
CNS Engineering, Inc.					\$ 263,257.00	
Coast Surveying, Inc.					\$ 230,485.00	
Earth Mechanics, Inc.					\$ 159,455.00	
Epic Land Solutions, Inc.					\$ 136,508.00	
FPL and Associates, Inc.					\$ 144,173.00	
LSA Associates, Inc.					\$ 1,671,786.00	
Lynn Capouya, Inc.					\$ 76,554.00	
RBF Consulting					\$ 358,437.00	
Value Management Strategies, Inc.					\$ 42,474.00	
Wileec					\$ 26,000.00	
Total						
WSP USA, Inc.	C-5-3273	On-call planning services for commuter and intercity rail support	March 2, 2016	January 31, 2020		
Contract Type: Time and Expense						\$200,000
Subconsultants:						
Arellano Associates						
Cogstone Resource Management, Inc.						
Epic Land Solutions, Inc.						
Kal Krishnan Consulting Services, Inc.						
Michael Kodama Planning						
MLM & Associates Engineering, Inc.						
SMA Rail Consulting + IT						
Contract Type: Firm-Fixed Price	C-8-1629	Bristol Street Transit Corridor Study	October 24, 2018	July 31, 2021		\$538,158
Subconsultants:						
Arellano Associates					\$53,084	
Kal Krishnan Consulting Services, Inc.					\$20,000	
STV Incorporated					\$170,854	
Contract Type: Firm-Fixed Price	C-8-2072	Orange County Rail Infrastructure Defense Against Climate Change Plan	September 3, 2019	March 31, 2021		\$549,953
Subconsultants:						
Arellano Associates					\$67,517	
Fehr & Peers					\$29,842	
Watearth, Inc.					\$26,448	
Total						
						\$1,288,111



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Revisions to the Measure M2 Eligibility Guidelines

Regional Planning and Highways Committee Meeting of April 5, 2021

Present: Directors Bartlett, Chaffee, Delgleize, Harper, Hernandez, Murphy, and Sarmiento
Absent: Director Muller

Committee Vote

Following the roll call vote, this item was declared passed 7-0 by the Members present.

Committee Recommendation

Approve proposed revisions to the Measure M2 Eligibility Guidelines.



April 5, 2021

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Revisions to the Measure M2 Eligibility Guidelines

Overview

The Orange County Transportation Authority's Ordinance No. 3 specifies requirements that local jurisdictions must satisfy in order to be eligible to receive Measure M2 net revenues. Measure M2 Eligibility Guidelines are used to assist local jurisdictions in navigating Measure M2 eligibility requirements and submittal processes. Proposed updates to the Measure M2 Eligibility Guidelines are presented for the Board of Directors' review and approval.

Recommendation

Approve proposed revisions to the Measure M2 Eligibility Guidelines.

Background

The Orange County Transportation Authority's (OCTA) Measure M2 (M2) Ordinance No. 3 specifies requirements that M2-defined local jurisdictions must satisfy in order to be eligible to receive net M2 revenues. To assist local jurisdictions with these requirements, OCTA regularly updates guideline documents, including the M2 Eligibility Guidelines (Eligibility Guidelines).

Staff has completed a review of the Eligibility Guidelines and is recommending approval of revisions (discussed below) in order to support local jurisdictions in meeting the M2 eligibility requirements. The recommended revisions incorporate feedback received during previous eligibility review cycles and also include updates to clarify and/or streamline M2 eligibility submittal and review processes. These guidelines are intended to assist local jurisdictions in completing required M2 eligibility processes, and it is the local jurisdiction's responsibility to ensure that they meet and satisfy all required M2 eligibility requirements each year.

Discussion

The recommended revisions to the guidelines for the current eligibility cycle include changes to Master Plan of Arterial Highways (MPAH) eligibility and submittal requirements, the sections relating to maintenance of effort (MOE) requirements, and timely use of funds tracking provisions for M2 formula programs.

Recommended changes to the MPAH eligibility and submittal requirements sections were developed in order to make them clearer, better align with M2 Ordinance requirements, and eliminate redundancy between the Eligibility Guidelines and other MPAH administrative documents and procedures. An addition was also made to the required council or Board of Supervisors' resolution now requiring local jurisdictions to affirm that they will bring forward requests to amend the MPAH in order to ensure that the MPAH and the jurisdiction's circulation element in their general plans are consistent.

In June 2020, OCTA approved an amendment to the M2 Ordinance to provide flexibility to the MOE requirement due to the economic impacts of the coronavirus (COVID-19). Due to continued COVID-19-related impacts, staff is recommending another M2 Ordinance amendment for fiscal year (FY) 2021-22. If approved, this amendment, which is on the same agenda as this item, will extend the local jurisdictions' agencies ability to meet their MOE requirements through either the MOE benchmark dollar amount (traditional process) or MOE expenditures as a proportional share compared to general fund revenues. Given this, the MOE sections in the guidelines' exhibits, appendices, and forms have been updated to reflect both current and proposed MOE benchmark requirements.

With regard to timely use of funds for M2 formula programs, an updated tracking system is recommended to better monitor the timely use of funds requirements. The objective for this recommended change is to make the tracking and reporting of the receipt and use of formula funds more consistent with how the jurisdictions typically track revenues with the annual expenditure report requirement.

The recommended amendments to the guidelines also include minor updates to the eligibility checklist and due dates, general wording modifications, expansion on certain concepts, clarification of submittal requirements, reordering of information, and technical updates/clarifications throughout the document, appendices, and reporting forms.

A summary of recommended revisions to the Eligibility Guidelines is provided in Attachment A, and a redlined version of proposed changes to the Eligibility Guidelines is provided in Attachment B.

Next Steps

Following Board of Directors' (Board) approval of the recommended Eligibility Guidelines revisions, OCTA will conduct a workshop (scheduled for April 15, 2021) to inform the jurisdictions of these changes and guide them through the process. Staff will also coordinate with all local agencies throughout the eligibility review process in order to facilitate timely submittal of required M2 eligibility components.

Staff will return to the Board to seek approval of M2 eligibility findings and recommendations through a two-phased process, with the first components (due in June 2021) being presented for Board consideration in December 2021, and the second component, M2 Expenditure Reports (due in December 2021), being presented in June 2022.

Summary

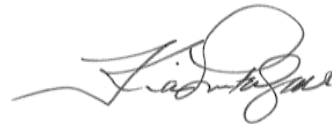
Recommended revisions to the Eligibility Guidelines are recommended to support and facilitate the initiation of the ongoing M2 eligibility review cycle. Upon Board approval of recommended Eligibility Guidelines revisions, the first phase of the M2 eligibility review cycle will commence.

Attachments

- A. Revisions to the Measure M2 Eligibility Guidelines
- B. Measure M2 Eligibility Guidelines, Fiscal Year 2021/2022

Prepared by:

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Approved by:

Kia Mortazavi
Executive Director, Planning
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Revisions to the Measure M2 Eligibility Guidelines

Recommended Substantive Changes

- **Page 3** – Reorganized and clarified the Audits section in Chapter 1.
- **Page 5** – Updated deadlines in the eligibility requirements table consistent with eligibility requirements and deadlines discussed in Chapter 2.
- **Page 7** – Updated the Circulation Element/Master Plan of Arterial Highways (MPAH) consistency section to better reflect Measure M2 (M2) Ordinance requirements for eligibility.
- **Page 8** – Updated Exhibit 1 with the latest MPAH centerline mileage that is used to calculate local fair share payments.
- **Page 10** – Added a discussion of existing and proposed modifications to the fiscal year (FY) 2020-21 and 2021-22 maintenance of effort (MOE) benchmark requirement, due to the financial impacts of the coronavirus (COVID-19) pandemic.
- **Page 12** – Added a discussion of existing and proposed modifications to the FY 2020-21 and 2021-22 MOE benchmark requirement due to the financial impacts of the COVID-19 pandemic.
- **Page 15** – Reorganized and clarified the Mitigation Fee Program (MFP) verification section in Chapter 2. Added five-year expenditure report as an MFP supporting documentation option.
- **Page 18** – Clarified project final report requirements for cancelled projects.
- **Pages 18-19** – Updated language on how the timely use of funds requirement will be monitored for the Local Fair Share Program and Senior Mobility Program.
- **Pages 22-23** – Updated descriptions of the Taxpayer Oversight Committee and Annual Eligibility Review Subcommittee's roles with respect to M2 eligibility in order to make them more consistent with the M2 Ordinance and current practice.
- **Appendix C** – Added two optional questions to the Congestion Management Program (CMP) checklist related to the federal CMP process, per previous requests from the Southern California Association of Governments.

Revisions to the Measure M2 Eligibility Guidelines

- **Appendix D** – Marked currently not required eligibility submittals as not applicable. Added CMP projects to the Capital Improvement Program section. Reorganized the MFP and updated the resolution of MPAH consistency sections to make them more consistent with Chapter 2.
- **Appendix E** – Updated the language in the MPAH/MFP resolution to affirm that local jurisdictions will bring forward requests to amend the MPAH, when necessary, in order to ensure that the MPAH and the General Plan Circulation Element remain consistent.
- **Appendix F** – Updated FYs in the Pavement Management Plan submittal template.
- **Appendix G** – Modified checkbox on the signature page of the Expenditure Report to note the two potential options for meeting the FY 2020-21 MOE requirement. Also noted that excerpts from the local jurisdiction's Comprehensive Annual Finance Report will be required to be submitted.
- **Appendix H** – Updated and simplified the Arterial Highway Mileage Change Report.
- **Appendix I** – Updated the MOE certification form to reflect proposed modification to the FY 2021-22 MOE benchmark requirement due to the financial impacts of the COVID-19 pandemic.



MEASURE M2 ELIGIBILITY GUIDELINES

FISCAL YEAR 2021 / 2022



ORANGE COUNTY TRANSPORTATION AUTHORITY

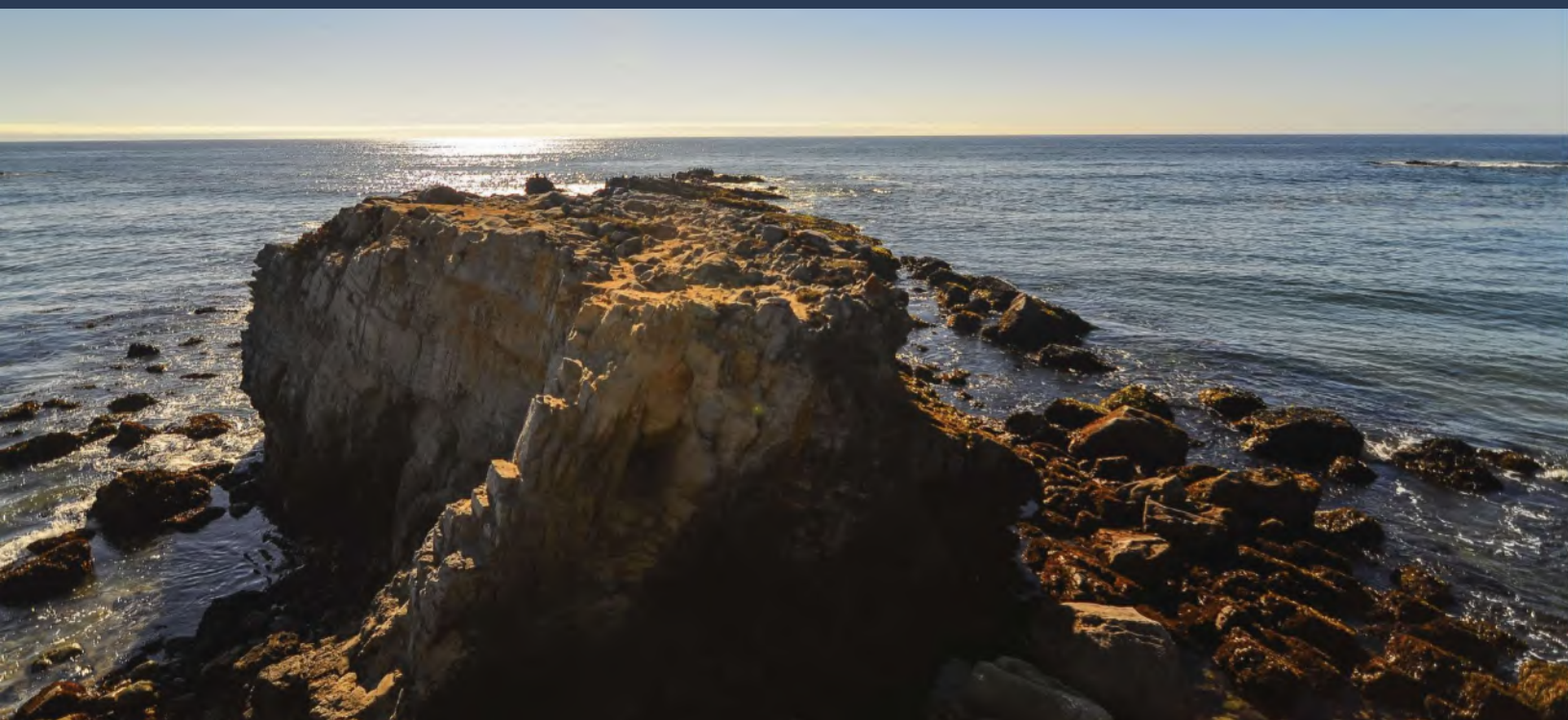


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Chapter 1 – Eligibility Overview

1.1 Introduction

On November 6, 1990, the voters in Orange County approved a ½-cent sales tax for transportation improvements known as Measure M. On November 7, 2006, voters approved a renewal of the original sales tax measure (M2) to continue the ½-cent sales tax for thirty years, beginning in 2011. Major improvement plans target Orange County freeways, streets and roads, transit and environmental programs.

The Measure M2 Ordinance, included as Appendix A, outlines the eligibility requirements that local jurisdictions must satisfy to receive M2 Net Revenues. The M2 Eligibility Guidelines (Eligibility Guidelines) provide the resources local jurisdictions need to remain eligible to participate in M2 funding programs. Guidelines for newly incorporated cities are outlined in Appendix B.

Net Revenues are generated from the transactions and use tax plus any interest or other earnings, after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs and the Orange County Transportation Authority (OCTA) shall allocate the Net Revenues to freeways, environmental, transit, and streets and roads projects.

Freeway Projects

Orange County freeways will receive forty-three percent (43%) of Net Revenues. Relieving congestion on State Route 91 is the centerpiece of the freeway program. Other major projects include improving Interstate 5 (I-5) in south Orange County, Interstate 405 (I-405) in west Orange County and State Route 57 in North Orange County. Under the plan, major traffic chokepoints on almost every freeway will be improved.

Environmental Programs

To address any environmental impact of freeway improvements, five percent (5%) of the allocated freeway funds will be used for environmental mitigation programs. A Master Agreement between OCTA and state and federal resource jurisdictions will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole. Funds are also available under the Environmental Cleanup Program (ECP) to implement transportation-related water quality improvement projects.

Transit Projects

Orange County's rail and bus service will receive twenty-five percent (25%) of Net Revenues. These funds will be used to add transit extensions to the Metrolink corridor, reduce bus fares for senior citizens and persons with disabilities, and establish local bus circulators.

Streets and Roads Projects

Orange County has more than 7,300 lane miles of streets and roads; many in need of repair and rehabilitation. This sales tax measure will allocate thirty-two percent (32%) of Net Revenues to streets and roads. These funds will help fix potholes, improve intersections, synchronize traffic signals countywide, and make the existing network of streets and roads safer and more efficient.

The allocation of thirty-two percent (32%) of the Net Revenues for Streets and Roads Projects shall be made as follows:

1. Ten percent (10%) of the Net Revenues shall be allocated to Project O, Regional Capacity Program (RCP).
2. Four percent (4%) of the Net Revenues shall be allocated to Project P, Regional Traffic Signal Synchronization Program (RTSSP).
3. Eighteen percent (18%) of the Net Revenues shall be allocated to Project Q, Local Fair Share (LFS) Program.

1.2 Competitive Funds

OCTA shall select projects through a competitive process for the RCP, RTSSP, various transit programs (Projects S, T, V, and W), and the ECP (Project X). The criteria for selecting these projects are included in the Comprehensive Transportation Funding Programs (CTFP) Guidelines, which are updated for each call for projects cycle. The process for calculating and distributing LFS funds are described in Section 1.3.

1.3 Local Fair Share (LFS) Funds

The LFS Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is intended to provide flexible funding to help jurisdictions keep up with the rising cost of repairing the aging street system. In addition, cities can use these funds for other local transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc. The LFS Program is funded through an eighteen percent (18%) allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty percent (50%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing Master Plan of Arterial Highways (MPAH) centerline miles to the total MPAH centerline miles within the County as determined annually by OCTA.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year.
- OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for the purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. The new methodology included a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within their respective Capital Improvement Programs (CIPs).

1.4 Eligibility Requirements for Net Revenues

Every year, OCTA determines if a local jurisdiction is eligible to receive M2 Net Revenues. A local jurisdiction must satisfy certain requirements as outlined in the Ordinance. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP)
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt and maintain a General Plan Circulation Element consistent with the MPAH
- Adopt and update a Capital Improvement Program (CIP)
- Participate in Traffic Forums
- Adopt and maintain a Local Signal Synchronization Plan (LSSP)
- Adopt and update biennially a Pavement Management Plan (PMP)
- Adopt and provide an annual Expenditure Report to OCTA
- Provide OCTA with a Project Final Report within six months following completion of a project funded with Net Revenues
- Agree to expend Net Revenues received through M2 within three years of receipt
- Satisfy Maintenance of Effort (MOE) requirements
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the eligible jurisdiction's General Plan, land use and planning strategies that accommodate transit and non-motorized transportation

1.5 Audits

Local jurisdictions are responsible for meeting eligibility requirements and applicable laws regarding the use of public funds. Many eligibility requirements involve self-certification by local jurisdictions.

Eligibility requirements are subject to audit. Audits shall be conducted by the OCTA Internal Audit Department or other authorized agent either through a regular annual process or on a schedule to be determined by the OCTA Board. Failure to submit to an audit in a timely manner may result in loss of future funding. Audit findings may result in an ineligibility determination and/or other sanctions. Please see Chapter 4 for more information regarding ineligibility and non-compliance consequences.

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Chapter 2 – Eligibility Requirements

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction [adherence to M2 eligibility requirements](#). Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are included as appendices to these guidelines and are available in electronic format. The table below summarizes certification frequency and documentation requirements.

Compliance Category	Schedule	Documentation
Capital Improvement Program (CIP)	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Electronic (online) and hard copy of OC Fundtracker CIP Report City Council/Board of Supervisors approval by July 31, 2021.
Circulation Element/MPAH Consistency	Odd numbered years Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Resolution (Appendix E) Circulation Element Exhibit Arterial Highway Mileage Change Report (Appendix H) Certify that the Circulation Element is consistent with MPAH in the Eligibility Checklist (Appendix D)
Congestion Management Program (CMP)	Odd numbered years Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Include projects to address deficient intersections in CIP (if applicable) CMP Checklist (Appendix C)
Expenditure Report	Annual – six months after end of fiscal year Next submittal is due December 31, 2021 .	<ul style="list-style-type: none"> Expenditure Report and resolution (Appendix G)
Local Signal Synchronization Plan (LSSP)	Every three years Next submittal is due June 30, 2023	<ul style="list-style-type: none"> Copy of plan Resolution (Appendix E)
Maintenance of Effort (MOE)	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> MOE Certification form (Appendix I) signed by Finance Director or equivalent designee that meets/exceeds MOE Benchmark in Exhibit 2 Budget excerpts and fund key
Mitigation Fee Program (MFP)	Odd numbered years Next submittal is due June 30, 2021 . ¹	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Supporting documentation Resolution (Appendix E)
No Supplanting Existing Commitments	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Pavement Management Plan (PMP)	Every two years Next submittal for odd year jurisdictions is due June 30, 2021 . Refer to Exhibit 3 to determine the required PMP submittal schedule.	<ul style="list-style-type: none"> PMP Submittal Template (Appendix F) with PMP Certification form signed by Public Works Director or City Engineer Pavement report and street listings Adoption - Resolution (Appendix E) or City Council/Board of Supervisors approved adoption recommendation
Project Final Report	Within 6 months of project completion	<ul style="list-style-type: none"> Final Report
Timely Expenditure of Funds	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Traffic Forums	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Transit/Non-motorized Transportation in General Plan	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Letter outlining land use planning strategies that accommodate transit and active transportation Excerpts of policies from the land use section of the General Plan

¹ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of eligibility submittal schedule.

2.1 Capital Improvement Program (CIP)

A CIP is a multi-year funding plan to implement capital transportation projects and/or programs including, but not limited to, capacity, safety, operations, maintenance, and rehabilitation projects. For purposes of eligibility, the Ordinance specifies that each jurisdiction must prepare a CIP. The annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, such as projects funded by Net Revenues (i.e. ECP, RTSSP, RCP, other M2 Competitive Programs, and LFS projects) and transportation projects required to demonstrate compliance with signal synchronization, pavement management, and CMP requirements (See section 2.3 for the CIP's relevance to the CMP).

Projects funded by M2 Net Revenues include:

Project Description	Project
Freeway Projects	A-M
Regional Capacity Program (RCP)	O
Regional Traffic Signal Synchronization Program (RTSSP)	P
Local Fair Share Program (LFS)	Q
High Frequency Metrolink Service	R
Transit Extensions to Metrolink	S
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	T
Community Based Transit/Circulators	V
Safe Transit Stops	W
Environmental Cleanup Program (ECP) – Water Quality	X

Each eligible jurisdiction must include projects in their CIP that are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. The CIP shall also include all projects proposed to receive M2 funding. Local jurisdictions are encouraged, but not required, to include all transportation related projects regardless of M2 funding participation.

If M2 funding needed for a project is not reflected on the current CIP, an amended CIP should be adopted with contract award prior to expending funds. The revised CIP should be submitted to OCTA in hard copy format with evidence of council approval.

Submittal Frequency: Minimum annual or as needed to add M2 projects that are not reflected on the current CIP. Next submittal is due by June 30, 2021. Final CIP adoption due by July 31, 2021.

City Council/Board of Supervisors approval: Required

Documentation Method: Each jurisdiction must submit an electronic (online) and hard copy of its CIP with evidence of City Council/Board of Supervisors approval. OCTA provides a web-based database on OC Fundtracker that is used countywide for reporting approved CIP information. A separate CIP User's Manual has been developed to assist local jurisdictions with the preparation of the seven-year CIP.

The CIP User's Manual is available for download at <https://www.octa.net/OCGoEligibility>.

2.2 Circulation Element/MPAH Consistency

M2 funding eligibility requires that each jurisdiction must adopt and maintain a Circulation Element within the jurisdiction's General Plan that is consistent with the OCTA MPAH. The MPAH is the OCTA plan which identifies the ultimate number of through lanes for arterial streets and designating traffic signal synchronization street routes in Orange County.

Every two years, each local jurisdiction must submit a resolution adopted by their governing body confirming that: the circulation element of their General Plan is in conformance with the MPAH; no unilateral reductions in through lanes have been made during the reporting period; and affirming that it will bring forward requests to amend the MPAH, when necessary, to ensure that the General Plan circulation element remains consistent with the MPAH.

Local jurisdictions shall be determined ineligible to participate in M2 programs if they do not submit the required materials below or if through an audit, it is determined that the jurisdiction did not administer the Circulation Element of its General Plan, consistent with the MPAH disclosures identified in the resolution. Exceptions may be considered subject to appropriate documentation.

Submittal Frequency: Odd years - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: Each jurisdiction must provide the following every odd numbered year:

- Eligibility Checklist (Appendix D) confirmation that the local jurisdiction's Circulation Element is in conformance with the MPAH.
- A copy of the most current Circulation Element Exhibit biennially showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.
- Resolution adopted by the governing body of the local jurisdiction.
- The Arterial Highway Mileage Change Report (Appendix H). Changes are in actual (newly built or annexed existing facilities) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30 of the reporting year. Exhibit 1 lists the current MPAH centerline miles by jurisdiction that is used to calculate Local Fair Share.

OCTA shall review the materials submitted and determine whether the local jurisdictions' submittals satisfy M2 Eligibility requirements. However, it is ultimately each local jurisdictions' responsibility for ensuring that their Circulation Element is consistent with the MPAH.

Exhibit 1: MPAH Centerline Miles

As of August ~~20~~, 2020

Local Jurisdiction	Centerline Mileage
Aliso Viejo	<u>14.85</u>
Anaheim	<u>148.90</u>
Brea	<u>20.57</u>
Buena Park	<u>34.44</u>
Costa Mesa	<u>49.33</u>
County of Orange	<u>60.83</u>
Cypress	<u>24.93</u>
Dana Point	<u>20.16</u>
Fountain Valley	<u>35.50</u>
Fullerton	<u>62.18</u>
Garden Grove	<u>63.78</u>
Huntington Beach	<u>92.32</u>
Irvine	<u>138.05</u>
La Habra	<u>17.13</u>
La Palma	<u>7.23</u>
Laguna Beach ²	<u>14.01</u>
Laguna Hills	<u>20.73</u>
Laguna Niguel	<u>35.94</u>
Laguna Woods	<u>5.77</u>
Lake Forest	<u>38.03</u>
Los Alamitos	<u>6.44</u>
Mission Viejo	<u>43.77</u>
Newport Beach	<u>48.92</u>
Orange	<u>85.03</u>
Placentia	<u>25.01</u>
Rancho Santa Margarita	<u>18.20</u>
San Clemente	<u>25.57</u>
San Juan Capistrano	<u>18.88</u>
Santa Ana	<u>100.15</u>
Seal Beach	<u>12.24</u>
Stanton	<u>9.48</u>
Tustin	<u>41.71</u>
Villa Park	<u>3.49</u>
Westminster	<u>35.75</u>
Yorba Linda	<u>32.67</u>
	<u>1,411.98</u>

² Laguna Beach credited with State Highway mileage by agreement of the TAC.

2.3 Congestion Management Program (CMP)

With the passage of Proposition 111 Gas Tax increase in June 1990, urbanized areas of California were required to adopt a CMP. OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP. Orange County's CMP is a countywide program established in 1992 to support regional mobility and air quality objectives by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility. Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs. Each jurisdiction must comply with the following conditions and requirements of the Orange County CMP pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding:

- Level of Service – Highways and roadways designated by OCTA must operate at an established LOS of no less than LOS "E" (unless the LOS from the baseline CMP dataset was lower).
- Deficiency Plans – Any CMP intersections that do not comply with the LOS standards must have a deficiency plan prepared by the responsible local jurisdiction that identifies the cause and necessary improvements for meeting LOS standards (certain exceptions apply).
- Land Use Analysis – Jurisdictions must analyze the impacts of land use decisions on the transportation system, using a designated methodology, consistent with the CMP Traffic Impact Analysis guidelines. The analysis must also include estimated cost to mitigate associated impacts.
- Modeling and Data Consistency – A jurisdiction utilizing a local area model for traffic impact analysis must conform to the Orange County Sub-Area Modeling guidelines, prepared by OCTA.
- CIP – Jurisdictions must submit an adopted seven-year CIP that includes projects to maintain or improve the LOS on CMP facilities or adjacent facilities.

Submittal Frequency: Odd years - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: The CMP checklist, as shown in Appendix C, must be submitted to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan. OCTA will use the M2 CIP prepared by each local jurisdiction as the default CMP CIP rather than require a separate submittal. Projects intended to address CMP deficiencies should be clearly identified in the project description within the CIP. Appendix C is available for download at <https://www.octa.net/OCGoEligibility>.

2.4 Expenditure Report

The Expenditure Report is a detailed financial report that tracks financial activity for M2 and other improvement revenue sources. Each jurisdiction must adopt an annual Expenditure Report to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the MOE requirements. This report is used to validate eligible uses of funds and to report actual MOE expenditures.

- Report required within six months of jurisdiction's end of fiscal year.
- Report to include all Net Revenue, fund balances, and interest earned. If interest earnings are negative, an explanation should be included to explain why.
- Reported expenditures shall be identified by activity type (i.e. construction, maintenance/operations, indirect and/or overhead) and funding source for each M2 program and/or project.

Please note, the MOE requirement has been modified for FY 2020-21 and 2021-22³ due to the ongoing financial impacts of the COVID-19 pandemic. Local jurisdictions can meet either 1) the traditional MOE benchmark dollar amount, or 2) an MOE target that is based on the percent of the MOE benchmark value to General Fund Revenues (GFRs) (see column C of Exhibit 2). This approach allows the MOE amount to float with fluctuations in local jurisdiction GFR levels while upholding the intent of the M2 Ordinance to use M2 revenues as supplemental funding. Local jurisdictions are expected to monitor GFRs as they come in throughout the year and adjust their use of GFRs for street and roads proposes to either meet the approved MOE benchmark dollar value or the proportionate (percent) share of GFRs.

Submittal Frequency: Annual – Within 6 months of the end of the fiscal year. The deadline is December 31, 2021.

City Council/Board of Supervisors approval: Required (Appendix G)

Documentation Method: The Expenditure Report signed by the jurisdiction's Finance Director and City Council/Board of Supervisors resolution attesting to the adoption is required. The Expenditure Report is self-certified by the jurisdiction and OCTA's review is to check for consistency with M2 disbursements only. Further, OCTA's receipt of the Expenditure Report does not constitute or confirm OCTA's acceptance or approval of reporting in the Expenditure Report itself, which is ultimately subject to audit review. The Expenditure Report template, instructions, and resolution are provided in Appendix G. Appendix G is available for download at <https://www.octa.net/OCGoEligibility>.

³ Modification of the MOE requirement due to COVID-19 for FY 2021-22 is subject to OCTA Board approval of an M2 Ordinance amendment. If the OCTA Board does not approve extending the special COVID-19 modification through FY 2021-22, the modification would only extend through FY 2020-21. If the OCTA Board does approve the modification, it would only extend through FY 2021-22. It is expected that in future fiscal years, the MOE requirement will be based solely on the traditional MOE benchmark.

2.5 Local Signal Synchronization Plan (LSSP)

The LSSP⁴ is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The LSSP shall be consistent with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). The LSSP will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the LSSP. Local jurisdictions must update LSSPs every three years and include a performance assessment which compares the information in the current report to prior cycle activities.

Submittal Frequency: Every 3 years – Next LSSP update submittal is due by June 30, 2023.

City Council/Board of Supervisors approval: Required

Documentation Method: Local jurisdictions must ensure that their LSSP is in conformance with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). LSSPs must be updated and adopted every three years starting June 30, 2014. At a minimum, a Public Works Director must sign the LSSP Consistency Review Checklist. A separate document prepared by OCTA, "Guidelines for the Preparation of Local Signal Synchronization Plans," provides additional detail for jurisdiction submittal and is available for download at <https://www.octa.net/OCGoEligibility>.

⁴ A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (Project O) if the local jurisdiction has adopted a LSSP consistent with the RTSSMP.

2.6 Maintenance of Effort (MOE)

The MOE Certification is a financial reporting document, which provides annual certification of planned/budgeted maintenance, construction and indirect/other transportation related expenditures and the comparison to the annual MOE Benchmark Requirements for the fiscal year. Each jurisdiction must provide annual certification to OCTA that it will meet MOE requirements of Section 6 of the Ordinance. MOE applies to street and road transportation-related discretionary expenditures using General Fund Revenues (GFRs) or other non-transportation discretionary funds by local jurisdictions. Eligible expenditures are outlined in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties," consistent with Article XIX of the State Constitution, and are subject to audit.

The MOE requirement has been modified for FY 2020-21 and 2021-22⁵ due to the financial impacts of the COVID-19 pandemic. Local jurisdictions have the option to certify to meet MOE benchmark requirement through one of the following options: 1) the traditional MOE benchmark dollar amount (shown in column A of Exhibit 2); or 2) an MOE target that is based on the percent of the MOE benchmark value to GFRs (see column C of Exhibit 2). This approach allows the MOE amount to adjust with fluctuations in local jurisdiction GFR levels while upholding the intent of the M2 Ordinance to use M2 revenues as supplemental funding. **Local jurisdictions are expected to monitor GFRs as they come in throughout the year and adjust their use of GFRs for street and roads proposes to either meet the approved MOE benchmark dollar value or the proportionate (percent) share of GFRs.**

MOE Certification Process

M2 funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect discretionary funding, such as general fund revenues, currently being used for transportation purposes to other uses and replace the redirected funds with M2 revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The original minimum level of expenditures was based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC's) Annual Report data collection sheets. The established benchmark was reported in constant dollars and was not adjusted for inflation. Note: Annexation of land into an existing jurisdiction does not affect the MOE.

Per the Ordinance, the MOE benchmark must be adjusted in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for the preceding three calendar years, provided that the CCI-based adjustment cannot exceed growth rate in General Fund revenues during the update period. The current MOE benchmark is reflected in Exhibit 2. The next MOE benchmark adjustment will be effective July 1, 2023.

⁵ Modification of the MOE requirement due to COVID-19 for FY 2021-22 is subject to OCTA Board approval of an M2 Ordinance amendment. If the OCTA Board does not approve extending the special COVID-19 modification through FY 2021-22, the modification would only extend through FY 2020-21. If the OCTA Board does approve the modification, it would only extend through FY 2021-22. It is expected that in future fiscal years, the MOE requirement will be based solely on the traditional MOE benchmark.

Submittal Frequency: Annual - Next MOE submittal is due June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: An MOE Certification form must be completed, signed by the jurisdiction's finance director and submitted on an annual basis. The form is included in the Eligibility Guidelines as Appendix I and is available for download at <https://www.octa.net/OCGoEligibility>.

In addition, excerpts from the jurisdiction's annual budget showing referenced MOE expenditures and dedication of funds shall be included in the annual submittal to substantiate planned relevant discretionary fund expenditures, such as General Funds. MOE expenditures should be budgeted carefully, with clear focus upon benefits to local streets and roads, which can withstand periodic expenditure audit processes. **Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.**

Any California State Constitution Article XIX street and road eligible expenditure may be "counted" in a local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local jurisdiction's discretionary funds (e.g. General Fund). This is similar to how MOE is defined in the Gas Tax Guidelines related to the use of Road Maintenance and Rehabilitation Program funds. The California State Controller also provides useful information on Article XIX and Streets and Highways Code eligible expenditures. These guidelines do not replace statutory or legal authority, but explain the general information found in California Constitution Article XIX and the Streets and Highways Code. Additional expenditures spent in support of streets and roads may also be eligible for MOE, subject to providing acceptable justification.

It is the local jurisdiction's responsibility to ensure that both the certified budgeted and the actual expenditures reported through the expenditure report are MOE eligible street and road expenditures. **OCTA's review and receipt of the MOE Certification form does not constitute or confirm OCTA's acceptance or approval of the MOE expenditures provided in the MOE Certification form.**

Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Jurisdiction	(A) MOE Benchmark	(B) GFR ⁶	(C) MOE Benchmark as a % of GFR
Aliso Viejo	\$538,604	\$20,264,249	2.66%
Anaheim	\$11,725,957	\$412,996,000	2.84%
Brea	\$838,243	\$65,445,918	1.28%
Buena Park	\$4,184,754	\$70,242,813	5.96%
Costa Mesa	\$8,607,340	\$143,753,298	5.99%
County of Orange	N/A	N/A	N/A
Cypress	\$3,607,878	\$36,691,594	9.83%
Dana Point	\$1,510,094	\$41,545,825	3.63%
Fountain Valley	\$1,564,638	\$61,380,673	2.55%
Fullerton	\$4,413,567	\$100,526,519	4.39%
Garden Grove	\$3,938,473	\$129,838,910	3.03%
Huntington Beach	\$5,921,206	\$236,631,000	2.50%
Irvine	\$8,001,915	\$221,961,000	3.61%
La Habra	\$1,737,300	\$48,583,838	3.58%
La Palma	\$201,688	\$12,057,831	1.67%
Laguna Beach	\$1,806,353	\$88,020,317	2.05%
Laguna Hills	\$331,579	\$22,047,533	1.50%
Laguna Niguel	\$908,566	\$43,809,474	2.07%
Laguna Woods	\$104,578	\$6,351,788	1.65%
Lake Forest	\$226,678	\$54,795,849	0.41%
Los Alamitos	\$182,250	\$14,165,860	1.29%
Mission Viejo	\$2,864,895	\$63,356,854	4.52%
Newport Beach	\$12,547,102	\$229,812,594	5.46%
Orange	3,392,885	\$124,241,260	2.73%
Placentia	\$770,006	\$35,796,833	2.15%
Rancho Santa Margarita	\$428,337	\$19,137,375	2.24%
San Clemente	\$1,316,842	\$65,789,926	2.00%
San Juan Capistrano	\$492,518	\$36,522,274	1.35%
Santa Ana	\$9,040,904	\$275,532,227	3.28%
Seal Beach	\$642,598	\$35,500,962	1.81%
Stanton	\$285,869	\$23,951,047	1.19%
Tustin	\$1,697,045	\$67,924,240	2.50%
Villa Park	\$373,104	\$3,722,258	10.02%
Westminster	\$1,805,546	\$66,489,760	2.72%
Yorba Linda	\$2,608,191	\$38,335,027	6.80%
Totals	\$98,617,504	\$2,917,222,926	

FY - Fiscal year

MOE - Maintenance of effort

GFR - General fund revenue

N/A - Not Applicable

⁶ General Fund Revenues derived from local jurisdictions' FY 2018-19 Comprehensive Annual Financial Reports.

FY ~~2020~~2021-21-22 Measure M2 Eligibility Guidelines

Effective ~~April 13, 2020~~ April 12, 2021

2.7 Mitigation Fee Program (MFP)

The MFP is a locally established fee program, which assesses fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. To ensure eligibility, each jurisdiction must have a clearly defined mitigation fee program.

Submittal Frequency: Odd years - Next MFP submittal is due by June 30, 2021.⁷

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: In addition to the City Council/Board of Supervisors approved resolution (Appendix E), the eligibility submittal should include one or more of the following supporting documents: a copy of the nexus study improvement list, a current fee schedule, a 5-Year Expenditure Report, or the process methodology. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of an AB1600 compliant Nexus Study fee program, each jurisdiction shall provide a council resolution adopting the mitigation policy.

At such time that a jurisdiction updates their mitigation fee program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle. In addition, an MFP resolution must be submitted biennially to reaffirm that council concurs with the existing MFP. It is the local jurisdiction's responsibility to ensure fee programs and mitigation measures are updated periodically and meet the infrastructure needs of their community.

2.8 No Supplanting of Developer Commitments

Eligible jurisdictions must ensure that M2 funding will not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their project(s) create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been or will be committed to transportation projects through payment of fees in a defined program, fair share contribution, Community Facilities District (CFD) financing, or other dedicated contribution to a specific transportation improvement

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as

⁷ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study on an even year. Annual cost adjustments should be reported but do not constitute an "update" on the Eligibility Checklist (Appendix D).

outlined in the Ordinance. Appendix D is available for download at <https://www.octa.net/OCGoEligibility>.

2.9 Pavement Management Plan (PMP)

A PMP⁸ is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. MicroPaver or StreetSaver will be used for countywide consistency. The software must be consistent with the latest version of ASTM Standard D6433.

Each jurisdiction must biennially adopt and update a PMP consistent with the specific requirements outlined in the Ordinance, and issue, using a common format (Appendix F) approved by OCTA, a report regarding the status of road pavement conditions and implementation of the PMP including, but not limited to, the following elements:

- The current status of pavement roads
- A seven-year plan for road maintenance and rehabilitation, including projects, funding, and unfunded backlog of pavement needs
- Projected pavement conditions resulting from improvements
- Alternative strategies and estimated costs to improve road pavement conditions

The Countywide PMP Guidelines have been prepared by OCTA to assist local jurisdictions with the PMP submittal. Local jurisdictions should refer to the guidelines for additional PMP submittal criteria. The Countywide PMP Guidelines can be downloaded from OCTA's Eligibility webpage: <https://www.octa.net/OCGoEligibility>.

Submittal Frequency: Every two years - 14 local jurisdictions submit PMP updates in odd years (i.e. June 30, 2021) and 21 local jurisdictions submit PMP updates in even years (i.e. June 30, 2022). Refer to Exhibit 3 to determine the local jurisdiction's required PMP submittal schedule.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: To establish eligibility, each jurisdiction must complete and submit the adopted PMP Submittal Template (Appendix F). The adoption must be approved by the City Council/Board of Supervisors as a staff report recommendation or through a resolution. A sample resolution is provided in Appendix E. The PMP certification form included in the template must be signed by the Public Works Director or City Engineer. These appendices are available for download at <https://www.octa.net/OCGoEligibility>.

The Executive Summary should include a brief overview of the PMP highlighting issues that have developed between review cycles and provide additional information regarding projects funded through the program. At a minimum, the Executive Summary should include Pavement Condition Index (PCI) reports, Projected PCI, and Alternative Funding Levels.

⁸ The Regional Capacity Program (RCP) Project O includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the RCP, if the jurisdiction either has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the scale for road pavement conditions in conformance with the Ordinance, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

Exhibit 3: Submittal Schedule for Periodic Components

Local Jurisdiction	Updated PMP	CMP	MPAH Consistency	MFP ⁹	Project Final Reports	LSSP
Aliso Viejo	Even Year	Odd Years (Next submittal is due by June 30, 2021)	Odd Years (Next submittal is due by June 30, 2021)	Odd Years (Next submittal is due by June 30, 2021)	Within 6 months of project completion	Every 3 years (Next submittal is due June 30, <u>2023</u>)
Anaheim	Odd Year					
Brea	Odd Year					
Buena Park	Even Year					
Costa Mesa	Even Year					
County of Orange	Odd Year					
Cypress	Odd Year					
Dana Point	Odd Year					
Fountain Valley	Even Year					
Fullerton	Even Year					
Garden Grove	Even Year					
Huntington Beach	Even Year					
Irvine	Odd Year					
La Habra	Odd Year					
La Palma	Even Year					
Laguna Beach	Even Year					
Laguna Hills	Even Year					
Laguna Niguel	Even Year					
Laguna Woods	Even Year					
Lake Forest	Odd Year					
Los Alamitos	Odd Year					
Mission Viejo	Even Year					
Newport Beach	Odd Year					
Orange	Even Year					
Placentia	Even Year					
Rancho Santa Margarita	Even Year					
San Clemente	Odd Year					
San Juan Capistrano	Odd Year					
Santa Ana	Even Year					
Seal Beach	Even Year					
Stanton	Odd Year					
Tustin	Odd Year					
Villa Park	Even Year					
Westminster	Even Year					
Yorba Linda	Even Year					

⁹ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of allocated submittal schedule.

2.10 Project Final Report

Each jurisdiction must provide OCTA a project final report within six months following completion of a project funded with Net Revenues. Final report formats follow the template used by the CTFP. The CTFP Guidelines define the term "project phase completion" as the date all final third-party contractor invoices have been paid and any pending litigation has been adjudicated either for the engineering phase or for the right-of-way phase, and all liens/claims have been settled for the construction phase. The date of project phase completion will begin the 180-day requirement for the submission of a project final report as required by the Ordinance. Projects that have been cancelled are not required to submit a project final report but may be asked to submit a certification of cancellation form.

City Council/Board of Supervisors approval: Not Required

Documentation Method: To establish eligibility, a jurisdiction must submit a copy of the CTFP Project Final Report for each project utilizing Net Revenues. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (indirect and/or overhead, maintenance, repair, and other non-project related costs) funded by LFS funds, the annual Expenditure Report shall satisfy reporting requirements. If LFS funds are used for capital projects, the local jurisdiction shall also include a list of those funds and/or other M2 funds in the Project Final Report.

2.11 Time Limit for Use of Net Revenues

The timely expenditure of funds is a policy which must be adopted by each local jurisdiction to ensure Net Revenues are expended and accounted for within 3 years. The local jurisdiction must certify that the receipt and use of all M2 funds received will adhere to the time limits for use as outlined in the Ordinance.

Competitive Programs

- Jurisdictions must agree that Net Revenues for RCP projects and/or Regional Traffic Signal Synchronization Program (RTSSP) projects shall be encumbered by the end of the fiscal year for which Net Revenues are programmed. Jurisdictions can request a delay through the Semi-Annual Review process. Refer to the CTFP Guidelines for additional information regarding encumbrance deadlines and delay requests.
- Local jurisdictions are generally required to expend funds within 36 months from the date of encumbrance for CTFP projects. Jurisdictions can request timely use of funds extensions through the Semi-Annual Review process. Refer to the CTFP Guidelines for additional information regarding expenditure deadlines and extension requests.

Local Fair Share (LFS)

- Net Revenues received by local jurisdictions through the LFS program shall be expended or encumbered within three years of receipt. For review purposes, OCTA will track expenditures based on the fiscal year of receipt plus two additional fiscal years. Fiscal year means July 1 through June 30. For example, funds received in March 2021, if tracked by fiscal year, should be spent by June 30, 2023. An extension may be granted but is limited to a total of five years from the date of receipt of funds. Because OCTA and local jurisdictions may not track the date of receipt, then the OCTA Board may authorize an extension of two additional fiscal years. Requests for extensions shall be submitted prior to expiration and may be considered

by the OCTA Board through the semi-annual review process. Requests for extension must include a plan of expenditure.

- Expired funds including interest earned and related revenues must be returned to OCTA. These funds shall be returned for redistribution within the same source program.
- Use of LFS revenues for bonding (including debt service) shall be limited to 25% of the jurisdiction's annual LFS revenues. Bonding or loan must clearly support work that is otherwise eligible for LFS funds. The Board may consider an exception to the percentage limitation policy on a case-by-case basis.

Interest Derived from Net Revenues

- Interest from any M2 competitive funding program and LFS must be held in separate accounts.
- Local M2 interest proceeds must be spent by the local jurisdiction on transportation activities consistent with LFS eligible transportation activities.
- Interest revenues must be expended within 3 years of the fiscal year of receipt.
- ~~Interest may be accumulated for substantive projects where necessary, with prior OCTA approval, provided that the account balance does not exceed aggregate LFS payments received in the preceding three (3) years of reporting period.~~
- All interest accumulated at the conclusion of M2 is to be expended within three years of the program sunset date (March 31, 2041).

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Required if an extension is requested.

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) confirmation that the jurisdiction complies with the timely use of Net Revenues throughout the year as outlined in the Ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

2.12 Traffic Forums

Traffic Forums are working group sessions that include local jurisdictions and OCTA. Traffic forums provide a venue for local jurisdictions to discuss general traffic and transportation issues, traffic circulation between participating jurisdictions, the coordination of specific projects, and the overall RTSSP. Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility.

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) evidence of its annual participation in a Traffic Forum.

2.13 Transit/Non-motorized Transportation in General Plan

As part of the eligible jurisdiction's land use section of the General Plan, the jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. Multi-modal options are vital to a comprehensive transportation network. General Plans should include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

[Submittal Frequency](#): Annual - Next submittal is due by June 30, 2021.

[City Council/Board of Supervisors approval](#): Not Required

[Documentation Method](#): Each jurisdiction must document within the Eligibility Checklist (Appendix D) that it considers, as part of the land use section of the General Plan, land use planning strategies that accommodate transit and non-motorized transportation. A letter outlining the approach to land use planning strategies or policies that accommodate transit and non-motorized transportation should be provided with supporting General Plan excerpts. Policy summaries that directly tie land use planning to alternative modes are required.

These may include:

- Pedestrian friendly neighborhoods
- Transit Oriented Development (TOD)
- Transportation Demand Management (TDM) programs
- Mixed-use development

Chapter 3 - Eligibility Determination

3.1 Submittal Review Process

The Eligibility submittal process has two distinct phases.

First Phase

In the first phase, local jurisdictions submit the eligibility checklist, CIP, MOE Certification and land use planning strategies considered in the General Plan on an annual basis. In addition, the PMP, CMP, MFP, and adoption of the Circulation Element for MPAH consistency are due on a biennial basis. The LSSP is due every three years. The periodic submittal schedule of the eligibility requirements is included in Exhibit 3. The applicable eligibility components for a given year must be submitted to OCTA by June 30 (except the Expenditure Report).

To assist in the initiation of the eligibility process, OCTA hosts eligibility workshops attended by local jurisdictions to prepare for the June 30 submittal date. The workshops outline any changes and provide instructions as to the requirements of the current fiscal year's eligibility cycle. Eligibility package development begins for most local jurisdictions in April and concludes with submittal to OCTA by the June 30 deadline each year.

Second Phase

The second phase includes the submittal of the Expenditure Report, which is due six months following the end of the local jurisdiction's fiscal year per the Ordinance. All local jurisdictions must submit their Expenditure Report annually by December 31. OCTA staff typically holds a workshop in July/August to go over the eligibility requirements for submitting an Expenditure Report that is compliant with the Ordinance. The OCTA Finance department reviews Expenditure Reports. However, OCTA's receipt and review of Expenditure Reports does not constitute or confirm OCTA's acceptance or approval of the reporting provided in the Expenditure Report itself, which is ultimately subject to audit review.

3.2 Approval Process

Annual eligibility determinations are based upon satisfactory submittal of the required documentation of eligibility outlined in the Ordinance and further described in Chapter 2 of these guidelines. OCTA and/or its representatives perform an administrative review of the data to determine eligibility compliance for M2 funds. Once all eligibility submittals have been received, the applicable submittals must be prepared for affirmation of receipt and review by the Taxpayer Oversight Committee (TOC).

TOC

M2 established the TOC to provide an enhanced level of accountability for expenditure of Net Revenues under the Ordinance. The TOC is an independent citizens' committee established for overseeing compliance with the Ordinance and ensuring that safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the Ordinance proposed by OCTA which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan.
- Receive and review select documentation establishing annual eligibility by jurisdictions including the CMP, MFP, Expenditure Report, LSSP, and PMP.
- Verification that the OCTA is proceeding in accordance with the M2 Plan and is meeting the performance standards outlined in the Ordinance.

The TOC designates the Annual Eligibility Review (AER) subcommittee to first receive and review the required eligibility components for each local jurisdiction on an annual basis. The AER subcommittee affirms that it has completed its receipt and review process annually to the TOC.

In addition, OCTA staff will review items that do not directly require TOC receipt and review and confirm acceptance. After TOC and OCTA's review of all eligibility requirements, OCTA staff will prepare eligibility recommendations for the OCTA Board of Directors (Board). The OCTA Regional Planning and Highways Committee reviews the item prior to being considered by the full Board. The Board will make a final determination as to whether or not a local jurisdiction remains eligible for M2 funding on an annual basis.

Chapter 4 – Failure to Meet Eligibility Requirements

4.1 Non-Compliance Consequences

M2 extends a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance. The State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", provides useful information regarding the use of revenues for streets and roads purposes, consistent with Article XIX of the State Constitution. These guidelines are used by OCTA to determine eligibility for MOE expenditures. In addition, other non-Article XIX transportation expenditures may be eligible for certain M2 programs. Local jurisdictions should contact OCTA's M2 Program Management Office for specific questions on eligible and ineligible expenditures.

OCTA routinely conducts an audit of local jurisdictions' annual eligibility materials and financial records. Full cooperation is expected to complete the process in a timely manner. Failure to adhere to eligibility compliance components may result in Board action to suspend M2 funds until satisfactory compliance is achieved. For example, failure to meet MOE or other M2 requirements could result in suspension of all M2 formula and competitive grant payments and may prevent approval of awards until specific deficiencies are corrected.

The M2 Ordinance also includes provisions related to misspent M2 funds. For the purposes of this section, "misspent" means misappropriation of public funds, pursuant to state law. If the Board determines that a local jurisdiction has misspent M2 funds, then those funds must be fully re-paid, and the Board may deem that jurisdiction ineligible to receive M2 funds for a period of five (5) years.

4.2 Board Process Related to Ineligibility

Eligibility review and determination is a multi-step process, which relies upon an objective review of information by OCTA staff. Actions related to ineligibility are made by the Board.

4.3 For Additional Information

The Eligibility Guidelines have been developed to assist local jurisdictions located throughout Orange County to understand and continue to implement all eligibility requirements to receive M2 funding. The Guidelines provide general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the Eligibility Guidelines:

Kelsey Imler

Transportation Funding Analyst

(714) 560-5397

kimler@octa.net

Or

Joe Alcock

Section Manager

(714) 560-5372

JAlcock@octa.net

Appendices:

Appendix A: Ordinance

The Ordinance can be found on the Eligibility Website:
<https://www.octa.net/OCGoEligibility>

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Appendix B: Eligibility for New Cities

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Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange, which have already established eligibility under current M2. As new cities mature, they will adopt their own general plan and growth strategies.

To provide for this transition period, the OCTA Board of Directors (Board) has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced.
- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the LFS funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation.
- The new city will begin accruing LFS funds as of the date of incorporation.
- OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the Board within one year of the date of incorporation.
- For the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the eligibility package, complete the necessary review and approval of the package, and the Board must determine the new city eligible to receive M2 funds within one year of the date of incorporation. OCTA recommends the city submit its eligibility package within six months of incorporation to allow sufficient time for OCTA review and approval processes.
- Upon determination of eligibility by the Board, the new city will receive its first LFS payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination.
- The first LFS payment will be adjusted to reflect final calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process.
- In the event a new city is determined to be ineligible to receive LFS funds by the Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible local jurisdictions on a pro-rata basis, until such time that the new city attains eligibility.
- Such new city will begin to accrue funds as of the first day of the first regular accrual period following its determination of eligibility by the Board and receive its first LFS payment on the corresponding regular payment cycle.

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for LFS funds, the Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive LFS funds by the Board, as described above.
- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its eligibility package for review and approval by the Board.

- Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process.

New Cities – MOE

M2 requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect. New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

The approved method uses the following formula to calculate the MOE for new cities:

$$\frac{\text{Total countywide MOE benchmark}}{\text{Total countywide population}} = \text{Per capita expenditure}$$

$$\text{Per capita expenditure} \times \text{city population} = \text{MOE benchmark for the city}$$

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. OCTA shall use the most recent Census or figures from the State of California Department of Finance. Appeals will be submitted first to the TAC and then to the Board for final determination.

Appendix C: Congestion Management Program Checklist

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CMP Monitoring Checklist: Level of Service (LOS)				
CMP Checklist		YES	NO	N/A
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> There are no CMP intersections in your jurisdiction. Factoring out statutorily-exempt activities¹, all CMP intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.				
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> _____ _____ _____ 			<input type="checkbox"/>
3.	Will deficient intersections, if any, be improved by mitigation measures to be implemented in the next 18 months or improvements programmed in the first year of any recent funding program (i.e. local jurisdiction CIP, Measure M CIP)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	a. If not, has a deficiency plan been developed for each intersection that will be operating below the CMP LOS standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional Comments:				
<div style="border: 1px solid black; height: 150px; width: 100%;"></div>				

¹The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Deficiency Plans				
CMP Checklist		YES	NO	N/A
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> There are no CMP intersections in your jurisdiction. Factoring out statutorily-exempt activities², all CMP Highway System (CMPHS) intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.				
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> _____ _____ _____ 			<input type="checkbox"/>
3.	Are there improvements to bring these intersections to the CMP LOS standard scheduled for completion during the next 18 months or programmed in the first year of the CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 3 NEED TO ANSWER THE REMAINING QUESTIONS.				
4.	Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Does the deficiency plan fulfill the following statutory requirements? :			
	a. Include an analysis of the causes of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Include a list of improvements, programs, or actions and estimates of their costs, which will improve LOS on the CMPHS and improve air quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. Do the improvements, programs, or actions meet the criteria established by South Coast Air Quality Management District (SCAQMD) (see the CMP Preparation Manual)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

²The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Deficiency Plans (cont.)

CMP Checklist		YES	NO	N/A			
6.	Are the capital improvements identified in the deficiency plan programmed in your seven-year CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
7.	Does the deficiency plan include a monitoring program that will ensure its implementation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
8.	Does the deficiency plan include a process to allow some level of development to proceed pending correction of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
9.	Has necessary inter-jurisdictional coordination occurred?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
10.	Please describe any innovative programs, if any, included in the deficiency plan:	<input type="checkbox"/>					
Additional Comments:							



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Land Use Coordination				
CMP Checklist		YES	NO	N/A
1.	Have you maintained the CMP traffic impact analysis (TIA) process you selected for the previous CMP?	<input type="checkbox"/>	<input type="checkbox"/>	
	a. If not, have you submitted the revised TIA approach and methodology to OCTA for review and approval?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Did any development projects require a CMP TIA during this CMP cycle? ³	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 2 NEED TO ANSWER THE REMAINING QUESTIONS.				
3.	If so, how many?	_____		
4.	Please list any CMPHS links & intersections that were projected to not meet the CMP LOS standards (indicate whether any are outside of your jurisdiction). <ul style="list-style-type: none"> • _____ • _____ • _____ 	<input type="checkbox"/>		
	a. Were mitigation measures and costs identified for each and included in your seven-year CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. If any impacted links & intersections were outside your jurisdiction, did your jurisdiction coordinate with other jurisdictions to develop a mitigation strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	If a local traffic model was/will be used, did you follow the data and modeling consistency requirements as described in the CMP Preparation Manual (available online at http://www.octa.net/pdf/cmpprepmanual.pdf)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional Comments:				

³Exemptions include: any development generating less than 2,400 daily trips, any development generating less than 1,600 daily trips (if it directly accesses a CMP highway), final tract and parcel maps, issuance of building permits, issuance of certificate of use and occupancy, and minor modifications to approved developments where the location and intensity of project uses have been approved through previous and separate local government actions prior to January 1, 1992.



Congestion Management Program (CMP)

CMP Monitoring Checklist: Capital Improvement Program (CIP)				
CMP Checklist		YES	NO	N/A
1.	Did you submit a seven-year CIP to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Does the CIP include projects to maintain or improve the performance of the CMPHS (including capacity expansion, safety, maintenance, and rehabilitation)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Is it consistent with air quality mitigation measures for transportation- related vehicle emissions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Was the OC Fundtracker CIP provided by the OCTA used to prepare the CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional Comments:				

Date

Appendix D: Eligibility Checklist

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APPENDIX D

Eligibility Checklist

Jurisdiction:	
----------------------	--

Capital Improvement Program (CIP)		YES	NO
1.	Did you submit your draft or adopted Measure M2 (M2) seven-year CIP to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you utilize the required OCTA CIP database?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you included projects required to demonstrate compliance with signal synchronization, pavement maintenance, <u>the Congestion Management Program</u> , and environmental clean-up commitments?	<input type="checkbox"/>	<input type="checkbox"/>
	c. Are there any non-transportation related projects included in your M2 CIP?	<input type="checkbox"/>	<input type="checkbox"/>
	d. Did you include all projects that are partially, fully, or potentially funded by M2 Net Revenues?	<input type="checkbox"/>	<input type="checkbox"/>
	e. The City Council/Board of Supervisors approval date* to adopt the final 7-Year CIP is: _____ *Must be prior to July 31		
Maintenance of Effort (MOE)		YES	NO
2.	Did you submit the MOE certification form (Appendix I) to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you provide supporting budget documentation?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Has the MOE Reporting form been signed by the Finance Director or appropriate designee?	<input type="checkbox"/>	<input type="checkbox"/>
Pavement Management Plan (PMP)		YES	NO
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? Refer to Exhibit 3 for PMP submittal schedule.	<input type="checkbox"/>	<input type="checkbox"/>
	a. If yes, did you use the current PMP Submittal Template (Appendix F)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Plan?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If you answered "no" to question 3, did you submit a PMP Update to OCTA through the previous eligibility cycle by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
Resolution of Master Plan of Arterial Highways (MPAH) Consistency		YES	NO
5.	Did you submit a resolution <u>indicating conformance</u> with the MPAH?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you enclosed an <u>exhibit showing roadway designations that</u> represent your most current circulation element?	<input type="checkbox"/>	<input type="checkbox"/>
6.	If the requirement is not due as part of the current cycle, has there been an update to the circulation element since the last report period? If yes, include a copy of the latest circulation element.	<input type="checkbox"/> <u>N/A</u>	<input type="checkbox"/> <u>N/A</u>
Local Signal Synchronization Plan (LSSP)		YES	NO
7.	Did you adopt and submit an update to the LSSP as part of the current cycle?	<input type="checkbox"/> <u>N/A</u>	<input type="checkbox"/> <u>N/A</u>
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?	<input type="checkbox"/> <u>N/A</u>	<input type="checkbox"/> <u>N/A</u>



APPENDIX D

Eligibility Checklist

Time Limits for Use of Net Revenues		YES	NO
8.	Has your jurisdiction complied with the three-year time limit for the use of Net Revenues over the last year per the requirements outlined in the Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If no, has a time extension been requested through the semi-annual review process for funds subject to expiration?	<input type="checkbox"/>	<input type="checkbox"/>
Supplanting of Developer Commitments		YES	NO
9.	Has your jurisdiction ensured they have not supplanted developer commitments for transportation projects and funding with M2 funds?	<input type="checkbox"/>	<input type="checkbox"/>
Mitigation Fee Program (MFP)		YES	NO
10.	Does your jurisdiction currently have a defined development impact MFP in place?	<input type="checkbox"/>	<input type="checkbox"/>
11.	<u>Has your jurisdiction submitted a City Council/Board of Supervisors approved resolution (Appendix E)?</u>	<input type="checkbox"/>	<input type="checkbox"/>
12.	<u>Has your jurisdiction submitted one or more of the supporting documents outlined in chapter 2.7 of the Eligibility Guidelines?</u>	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you included a copy of your current impact fee schedule; or	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	b. Have you provided OCTA with a copy of your mitigation fee nexus study; or	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	c. Have you provided OCTA with a copy of your City Council/Board of Supervisors resolution approving the MFP?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Planning Strategies		YES	NO
13.	Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	<input type="checkbox"/>	<input type="checkbox"/>
14.	Have you provided a letter identifying land use planning strategies that accommodate transit and non-motorized transportation consideration in the General Plan?	<input type="checkbox"/>	<input type="checkbox"/>
Traffic Forums		YES	NO
15.	Did representatives of your jurisdiction participate in the regional traffic forum(s)?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If you answered yes, provide date(s) of attendance: _____		
Congestion Management Program (CMP)		YES	NO
16.	Has your jurisdiction completed the required CMP checklist? (Appendix C)	<input type="checkbox"/>	<input type="checkbox"/>

Name (Print)

Signature

Date

Appendix E: Resolutions

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**[~~SAMPLE~~ RESOLUTION FOR MPAH CIRCULATION ELEMENT CONSISTENCY AND
MITIGATION FEE PROGRAMS]**

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____
_____ CONCERNING THE STATUS AND UPDATE OF THE CIRCULATION ELEMENT, AND
MITIGATION FEE PROGRAM FOR THE MEASURE M (M2) PROGRAM

WHEREAS, the City/County of _____ desires to maintain and
improve the streets within its jurisdiction, including those arterials contained in the Master Plan of
Arterial Highways (MPAH) and

WHEREAS, the City/County of _____ has ~~s~~ endorsed a definition of
and process for, determining consistency of the City's/County's Traffic Circulation Plan with the MPAH,
and

WHEREAS, the City/County has adopted a General Plan Circulation Element which does not
preclude implementation of the MPAH within its jurisdiction, and

WHEREAS, the City/County is required to adopt a resolution biennially informing the Orange
County Transportation Authority (OCTA) that the City/County's Circulation Element is in conformance
with the MPAH and whether any changes to any arterial highways of said Circulation Element have been
adopted by the City/County during Fiscal Years (FY) 201~~9-20~~ and FY 20~~20-21~~, and

WHEREAS, the City/County is required to send biennially to the OCTA all recommended changes
to the City/County Circulation Element and the MPAH for the purposes of re-qualifying for participation
in the Comprehensive Transportation Funding Programs;

WHEREAS, the City/County is required to adopt a resolution biennially certifying that the
City/County has an existing Mitigation Fee Program that assesses traffic impacts of new development
and requires new development to pay a fair share of necessary transportation improvements
attributable to the new development; and

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the
City/County of _____, does hereby inform OCTA that:

a) The arterial highway portion of the City/County Circulation Element of the
City/County is in conformance with the MPAH.

~~b)~~ The City/County attests that no unilateral reduction in through lanes has been made on
any MPAH arterials during FY 201~~9-20~~ and FY 20~~20-21~~.

~~b)c)~~ The City/County affirms that it will bring forward requests to amend the MPAH, when
necessary, in order to ensure that the MPAH and the General Plan Circulation Element remain
consistent.

~~e)d)~~ The City/County reaffirms that Council concurs with the existing Mitigation Fee Program.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

[RESOLUTION FOR LOCAL SIGNAL SYNCHRONIZATION PLAN UPDATE]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____
_____ CONCERNING THE UPDATE OF THE LOCAL SIGNAL SYNCHRONIZATION PLAN FOR THE
MEASURE M (M2) PROGRAM.

WHEREAS, the Orange County Transportation Authority has developed the Regional Traffic Signal Synchronization Master Plan to identify traffic signal synchronization street routes and traffic signals within and across jurisdictional boundaries, and defines the means of implementing the Regional Traffic Signal Synchronization Program; and

WHEREAS, the Regional Traffic Signal Synchronization Program requires that local jurisdictions adopt a Local Signal Synchronization Plan consistent with the Regional Traffic Signal Synchronization Master Plan as a key component of local jurisdictions' efforts to synchronizing traffic signals across local jurisdictions' boundaries; and

WHEREAS, the Local Signal Synchronization Plan must be updated by June 30, 2023 to continue to be eligible to receive Net Revenues as part of Measure M2;

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____, does hereby inform OCTA that:

- a) The City/County adopts and maintains a Local Signal Synchronization Plan which includes goals that are consistent with those outlined as part of the Regional Signal Synchronization Master Plan, including signal synchronization across jurisdictions.
- b) The Local Signal Synchronization Plan identifies traffic signal synchronization street routes, including all elements of the Regional Signal Synchronization Network located within the City/County.
- c) The Local Signal Synchronization Plan includes the traffic signal inventory for all traffic signal synchronization street routes.
- d) The Local Signal Synchronization Plan includes a three-year plan showing capital, operations, and maintenance of signal synchronization along the traffic signal synchronization street routes and traffic signals.
- e) The Local Signal Synchronization Plan includes an update on the status and performance of traffic signal synchronization activities.
- f) The Local Signal Synchronization Plan includes a discussion on the review and revision, as may be necessary, on the timing of traffic signals on the traffic signal synchronization street routes.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

[RESOLUTION FOR PAVEMENT MANAGEMENT PLAN ADOPTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS AND UPDATE OF THE PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M2 (M2) PROGRAM

WHEREAS, the local jurisdiction is required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.

WHEREAS, the local jurisdiction is required to adopt and update a Pavement Management Plan (PMP), using the required format, regarding the status of road pavement conditions and implementation of the PMP on a biennial basis; and

WHEREAS, the local jurisdiction is required to provide a plan that manages the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The PMP is in conformance with the PMP Submittal Template provided in the Countywide Pavement Management Plan Guidelines.
- b) The City/County hereby adopts a PMP and has provided an updated PMP report, using the required format, to OCTA.
- c) The Public Works Director, City Engineer or designee is authorized to sign the PMP certification form.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

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Appendix F: PMP Submittal Template



Agency

Pavement Management Plan

Prepared by: [Author name]
Submitted to OCTA: [Date]



Agency Submittal Table of Contents

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I. Pavement Management Plan Certification

The City/County of [Type Here](#) certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No. 3. This ordinance requires that a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by [Type here*](#) using [Type here](#), a pavement management system, confirming to American Society of Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on [Month](#), [Year](#) for Arterial (MPAH) streets and [Month](#), [Month](#) for local streets.
- Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed on [Month](#), [Year](#).
- Percentage of all sections of pavement needing:
 - Preventative Maintenance: [Type here](#)%
 - Rehabilitation: [Type here](#)%
 - Reconstruction: [Type here](#)%
- Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
 - Current biennial period [\\$Type here](#)
 - Following biennial period [\\$Type here](#)
- Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
 - Current biennial period [\\$Type here](#)
 - Following biennial period [\\$Type here](#)
- Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
- The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

*An electronic copy of the Pavement Management Plan (with Micro Paver or StreetSaver compatible files) has been, or will be, submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

[Click here to enter text.](#)

Name (Print)

[Click here to enter text.](#)

Jurisdiction

Signed

[Click here to enter a date.](#)

Date

[Click here to enter text.](#)

Title (Public Works Director and/or City Engineer)



II. Executive Summary

Click here to enter text.



III. Background (Optional)

[Click here to enter text.](#)



IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next seven fiscal years ("Today" is before June 30, ~~2020~~2021).

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2020 <u>2021-2122</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2021 <u>2022-2223</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2022 <u>2023-2324</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2023 <u>2024-2425</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024 <u>2025-2526</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2025 <u>2026-2627</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2026 <u>2027-2728</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter



VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2021-22 <u>2020-21</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2022-23 <u>2021-22</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2023-24 <u>2022-23</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25 <u>2023-24</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2025-26 <u>2024-25</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2026-27 <u>2025-26</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2027-28 <u>2026-27</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2021-22 <u>2020-21</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2022-23 <u>2021-22</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2023-24 <u>2022-23</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25 <u>2023-24</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2025-26 <u>2024-25</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2026-27 <u>2025-26</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2027-28 <u>2026-27</u>	Click here to enter	Click here to enter	Click here to enter	Click here to enter



VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2021-22 2020-21	Click here to enter	Click here to enter	Click here to enter
2022-23 2021-22	Click here to enter	Click here to enter	Click here to enter
2023-24 2022-23	Click here to enter	Click here to enter	Click here to enter
2024-25 2023-24	Click here to enter	Click here to enter	Click here to enter
2025-26 2024-25	Click here to enter	Click here to enter	Click here to enter
2026-27 2025-26	Click here to enter	Click here to enter	Click here to enter
2027-28 2026-27	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	MPAH	Local Roads
Click here to enter	Click here to enter	Click here to enter

IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network
Very Good	86-100	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Good	75-85	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Fair	60-74	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Poor	41-59	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Very Poor	0-40	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter



X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

- a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

- b. Have road pavement conditions during the previous reporting period, within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

If applicable, please use the space below to justify the local agency's eligibility for a reduction in Local Match based on the statement above.

[Click here to enter text.](#)



XI. Appendix A – Seven-Year Road Maintenance and Rehabilitation Plan Based on Current *or* Expected Funding Level

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

MPAH								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

LOCAL								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.



XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

MPAH						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

LOCAL						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.



XIII. Appendix C – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency's QA/QC policies:

[Click here to enter text.](#)

Objectives

This document constitutes a formal QA/QC Plan for the [City/County](#). It was prepared on [Select date](#) and last revised on [Select date](#).

Specifically, it is intended for the [Year Applicable](#) Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as "Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.")

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)'s "Countywide Pavement Management Plan Guidelines" (section 2.4), adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety

Condition Survey Procedures

The governing document in performing condition surveys for the [Enter agency name](#) is ASTM D6433 “Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys.” Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

1. Alligator (fatigue) cracking
2. Bleeding
3. Block cracking
4. Bumps and sags
5. Corrugation
6. Depression
7. Edge cracking
8. Joint reflection cracking
9. Lane/Shoulder drop off
10. Longitudinal & Transverse cracking
11. Patching and utility cut patching
12. Polished aggregate
13. Potholes
14. Railroad crossing
15. Rutting
16. Shoving
17. Slippage cracking
18. Swell
19. Weathering
20. Raveling

Portland Cement Concrete (Jointed)

1. Blowup/buckling
2. Corner breaks
3. Divided slab
4. Durability (“D”) cracking
5. Faulting
6. Joint seal damage
7. Lane/shoulder drop off
8. Linear cracking
9. Patching (large) and utility cuts
10. Patching (small)
11. Polished aggregate
12. Popouts
13. Pumping
14. Punchout
15. Railroad crossing
16. Scaling, map cracking and crazing
17. Shrinkage cracks
18. Spalling (corner)
19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. They are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as [Indicate type of surveys](#) – walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of [Click here to enter field crew information](#) (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate). The safety of field personnel is paramount in all instances.

The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogenous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report.

A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.



Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within $\pm 10\%$ of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ± 10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities – changes medium or high severity cracking to low severity
- Patching activities – alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.

Inspector's Qualifications and Experience

The Enter agency here inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA's requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter

Resumes of the technicians utilized on this project are included as an attachment.



Safety Procedures

The [Enter agency here](#) administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in [Enter document name here](#).

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- [Enter safety protocol here](#)

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---

XIV. Appendix D – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

The Pavement Management data files are attached here on a CD/flash drive, or included as Appendix D

XV. Appendix E – GIS Maps – Current Conditions (Optional)

If included, attach and label Appendix E.

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Appendix G: M2 Expenditure Report Template, Instructions & Resolution

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Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

Lines 1 – 12: Balances at Beginning of Fiscal Year

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must agree with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" columns

Line 15: Total Monies Available

Sum of Lines 13 - 14 in the "Amount" and "Interest" columns

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" columns

Lines 17 - 28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must agree with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

City/County of: _____

Schedule 1

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Beginning and Ending Balances**

Description		Line No.	Amount	Interest
Balances at Beginning of Fiscal Year				
A-M	Freeway Projects	1		
O	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)		13		
	Monies Made Available During Fiscal Year	14		
Total Monies Available (Sum Lines 13 & 14)		15		
	Expenditures During Fiscal Year	16		
Balances at End of Fiscal Year				
A-M	Freeway Projects	17		
O	Regional Capacity Program (RCP)	18		
P	Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q	Local Fair Share	20		
R	High Frequency Metrolink Service	21		
S	Transit Extensions to Metrolink	22		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	24		
V	Community Based Transit/Circulators	25		
W	Safe Transit Stops	26		
X	Environmental Cleanup Program (Water Quality)	27		
	Other*	28		

* Please provide a specific description

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1 - 12: Report the Following Revenue Sources and Interest on the Appropriate Line

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Total Revenues

Sum of Lines 1 - 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

Lines 14 - 25: Report the Following Expenditures on the Appropriate Line

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum of Lines 14 - 25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" columns)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" columns

City/County of: _____

Schedule 2

M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Sources and Uses

	Description	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Projects	1		
O	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
	Expenditures:			
A-M	Freeway Projects	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
R	High Frequency Metrolink Service	18		
S	Transit Extensions to Metrolink	19		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	21		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Indirect and/or Overhead

This line covers local jurisdiction costs that cannot be readily identified to a specific project. The costs listed in this line item represent an equitable share of expenditures for activities not directly allocated to right-of-way, construction, or other categories. Allocations must be based on a reasonable, documented methodology.

This includes, but is not limited to:

Payroll	General accounting/finance
Personnel	Departmental accounts/finance
Purchasing/Procurement	Facilities
Advertising	Data processing
Legal costs	Top management
General government	Bids

Lines 2 - 7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead jurisdiction as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum of Lines 2 - 7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.
- The court costs of condemnation proceedings.

- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained due to the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum of Lines 8-9

Line 11 - 15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum of Lines 11 - 15

Line 17: Other

Please provide description for other categories. For example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc. This category is not applicable to the MOE column as MOE expenditures would fall into the categories listed above.

Line 18: Grand Totals

Sum of Lines 1, 10, 16, and 17

Line 19: Finance Director Confirmation

Finance Director initials to confirm understanding of MOE.

City/County of: _____

Schedule 3

M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line Item	MOE	Developer / Impact Fee ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1														\$
Construction & Right-of-Way															
New Street Construction	2														\$
Street Reconstruction	3														\$
Signals, Safety Devices, & Street Lights	4														\$
Pedestrian Ways & Bike paths	5														\$
Storm Drains	6														\$
Storm Damage	7														\$
Total Construction¹	8														\$
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance															
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance Director Confirmation	19	<p>Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures.</p> <p>Finance Director initial: _____</p>													

¹ Includes direct charges for staff time

+ Transportation related only

² Other M2 includes A-M, R, S, T, U, V, and W

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of Local Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M2 (M2) Local Fair Share funding. Please include the total amount of **M2 Local Fair Share** funds only that were expended.

Schedule 4

[illegible]

City/County of: _____

Signature Page

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____**

I hereby certify that:

- ☐ All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;
- ☐ The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;
- ☐ The City/County of _____ is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;
- ☐ The City/County's Expenditure Report is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and
- ☐ The City/County of _____ has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to one ~~the of the level of its~~ maintenance of effort requirements below¹⁰:

A) The City/County met the existing FY 2020-21 MOE benchmark dollar amount.

B) The City/County met a proportional MOE benchmark amount of FY 2020-21 General Funds Revenues that is at least equal to the percent listed in column C of Exhibit 2 in the M2 Eligibility Guidelines.

Director of Finance (Print Name)

Date

Signature

¹⁰ An actual General Fund Revenue excerpt from a jurisdiction's Comprehensive Annual Finance Report (CAFR) must be provided as backup documentation.

[EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR THE CITY/COUNTY OF _____.

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by the local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the M2 Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year, and balances at the end of fiscal year.
- b) The M2 Expenditure Report is hereby adopted by the City/County of _____.
- c) The City/County of _____ Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending _____.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

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Appendix H: Arterial Highway Mileage Change Report

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Jurisdiction:

☐ Check here if there are no changes to report[illegible]

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Appendix I: Maintenance of Effort Certification Form

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APPENDIX I

Maintenance of Effort (MOE) Certification Form

Jurisdiction: _____

Type of GENERAL FUND Transportation Expenditures:

Please complete and attach supporting budget documentation for each line item listed below.

MAINTENANCE	Total Expenditure
Subtotal Maintenance	\$

CONSTRUCTION	Total Expenditure
Subtotal Construction	\$

INDIRECT / OTHER	Total Expenditure
Subtotal Indirect / Other	\$

Total General Fund Transportation Expenditures	\$
(Less Total MOE Exclusions ¹)	\$
MOE Expenditures	\$
MOE Benchmark Requirement ²	\$
(Shortfall)/Surplus	\$

Certification:

I hereby certify that:

☐ The City/County of _____ is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for Measure M2 Eligibility purposes and;

☐ The City/County of _____'s MOE Certification Form is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties" and;

☐ The City/County of _____ certifies that the budgeted MOE expenditures meet the fiscal year (FY) 2021-22 MOE benchmark requirement through one of the options below:

A) The budgeted MOE expenditures meet the MOE benchmark dollar value consistent with column A of Exhibit 2 in the M2 Eligibility Guidelines.

B) The budgeted MOE expenditures meet an MOE % of general fund revenues of the City's FY 2021-22 budget, consistent with column C of Exhibit 2 in the M2 Eligibility Guidelines.

Finance Director Signature

Finance Director (Print Name)

Date

¹ Funding sources include Measure M, federal, state, redevelopment, and bond financing.

² Please refer to Exhibit 2 in the M2 Eligibility Guidelines for the City's MOE benchmark requirement. The MOE benchmark requirement is anticipated to be modified due to financial impacts of the COVID-19 pandemic, contingent on OCTA Board approval of an M2 Ordinance amendment.

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Appendix J: Acronyms

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APPENDIX J

Acronyms

Acronym	Description
AHRP	Arterial Highway Rehabilitation Program
<u>AER</u>	<u>Annual Eligibility Review (Subcommittee)</u>
CCI	Construction Cost Index
CFD	Community Facilities District
CIP	Capital Improvement Program
CMP	Congestion Management Program
CTFP	Comprehensive Transportation Funding Programs
ECP	Environmental Cleanup Program (Project X)
LAFCO	Local Agency Formation Commission
LOS	Level of Service
LSSP	Local Signal Synchronization Plan
<u>MFP</u>	<u>Mitigation Fee Program</u>
MOE	Maintenance of Effort
MPAH	Master Plan of Arterial Highways
OCTA	Orange County Transportation Authority
OCTC	Orange County Transportation Commission
PCI	Pavement Condition Index
PMP	Pavement Management Plan
RCP	Regional Capacity Program (Project O)
RTSSMP	Regional Traffic Signal Synchronization Master Plan (Project P)
SCAQMD	South Coast Air Quality Management District
TAC	Technical Advisory Committee
TDM	Traffic Demand Management
TOC	Taxpayer Oversight Committee
TOD	Transit Oriented Development
TSC	Technical Steering Committee

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COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Measure M2 2020 Update: Next 10 Delivery Plan

Executive Committee Meeting of April 5, 2021

Present: Directors Do, Murphy, Bartlett, Hennessey, Jones, and Shaw
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Adopt the 2020 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Committee Discussion

At the April 5, 2021 Executive Committee meeting, the Committee provided suggestions for project clarifications related to the freeway program and more inclusive goals related to the transit program. Staff will incorporate the changes and present to the Board on April 12, 2021.



April 5, 2021

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 2020 Update: Next 10 Delivery Plan

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects through fiscal year 2030. A comprehensive review was recently conducted to account for updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project cost estimates. In December 2020, the Board of Directors was presented with options to manage the impacts of the changes. Based on feedback, staff has updated the Measure M2 Next 10 Delivery Plan. The goals are to ensure fulfillment of the Measure M2 commitments, maintain fiscal sustainability, and strive to deliver transportation benefits early. The results of this effort are presented to the Board of Directors for review and approval.

Recommendations

- A. Adopt the 2020 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Background

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (TIP) for the Measure M2 (M2) one-half cent sales tax to be collected for 30 years. The M2 TIP defines the scope of the programs and projects that are to be delivered, which includes four primary elements: freeways, streets and roads, transit, and environmental programs. The M2 TIP summary page is included as Attachment A.

The Orange County Transportation Authority (OCTA) is committed to fulfilling the promises made to voters in the M2 TIP. This effort began with expedited delivery plans of M2 projects and programs. To date, the Board of Directors (Board) has adopted three delivery plans: Early Action Plan in 2007, M2020 Plan in 2012 (intended to go through 2020 but replaced in 2016 to address changes in M2 revenues), and the Next 10 Delivery Plan (Next 10 Plan) in 2016, which was last updated in 2019.

OCTA receives annual updates to the M2 sales tax revenue forecasts. On October 26, 2020, the 2020 M2 sales tax revenue forecast of \$11.6 billion was presented to the Board, which is a \$1.8 billion decrease from what was assumed in the 2019 Next 10 Plan. The lower forecast is attributed to the economic impacts of the coronavirus (COVID-19) pandemic and represents the lowest forecast since M2 inception.

A report on construction market conditions key indicators analysis and forecast was presented to the Board on November 9, 2020. This provided insight on potential construction cost drivers that could affect the Next 10 Plan. The report indicated that OCTA might experience a moderate cost environment in 2021 and 2022, with the potential for a tighter construction market in 2023.

On December 14, 2020, staff presented delivery options for Board consideration and discussion to address the substantial decrease in M2 sales tax revenue. The options assessed were predicated on OCTA's ability to deliver the entire M2 TIP through 2041. The critical consideration in evaluating the options was to ensure that near-term project commitments do not jeopardize OCTA's ability to deliver M2 as promised to voters. The Board directed staff to refine the option that balanced OCTA's ability to maintain progress on near-term projects, ready additional projects for delivery, and optimize the level of debt financing that would be required to support this approach. In addition, the Board also approved the adjustment of the Next 10 Plan timeframe from fiscal year (FY) 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30. Lastly, with the uncertainties of COVID-19, the Board requested that staff await the release of the sales tax revenue information through December 2020 before presenting the updated Next 10 Plan.

On March 8, 2021, staff provided an update to the Board on sales tax revenue receipts through December 2020. The data showed that sales tax collections are consistent with the projections presented to the Board in October 2020, and that the total forecasted M2 sales tax revenues remain at \$11.6 billion.

Discussion

The Next 10 Plan, as well as prior delivery plans, were developed based on three fundamental principles: fulfill the commitment to voters, ensure fiscal sustainability, and implement projects and programs effectively and expeditiously. First, the annual review of the Next 10 Plan tests and validates whether the complete M2 Program can be delivered consistent with the commitments promised to voters. Second, financial analysis of the latest revenue forecast and project cost information ensures that the rate of expenditures is financially sustainable and that M2 can withstand economic fluctuations over the life of M2 through 2041. Third, the Next 10 Plan aims to implement projects and programs effectively and expeditiously so the public can realize the benefits of M2 as early as possible.

Per Board direction, the 2020 update of the Next 10 Plan, included as Attachment B, maintains progress on near-term projects and readies additional projects for delivery while optimizing the level of debt financing. The 2019 Next 10 Plan served as the baseline to define prior commitments. The 2020 Next 10 Plan also incorporates the Board-approved \$11.6 billion M2 revenue forecast, along with revised external revenue assumptions and refined project estimates. Given the new timeframe and financials, the Next 10 Plan deliverables were also reviewed and updated; they are included in Attachment C.

The 2019 Next 10 Plan included a significant allowance for economic uncertainties to ensure OCTA can sustain financial fluctuations. Through this strategic financial planning, the 2020 Next 10 Plan confirms that the M2 TIP remains deliverable. The update also continues to maintain prudent annual ending balances and an economic uncertainties allowance. An M2 cash flow summary chart showing a positive ending balance through 2041 is included as Attachment D.

Looking to the future, sales tax revenues will continue to fluctuate due to unpredictable changes in the economy, but changes in revenues do not alter the M2 project and program scopes. Some of the strategies that OCTA will continue to employ to uphold voter-commitments include using innovative project delivery methods, managing the scope and cost of remaining freeway projects in conjunction with the California Department of Transportation, taking advantage of competitive construction market conditions, and pursuing external grant to supplement M2 funds.

The following sections provide a brief overview of what is included in the 2020 Next 10 Plan.

M2 Freeway Program

While the majority of M2 programs can be scaled as sales tax collections fluctuate, the M2 Freeway Program cannot, due to defined project scopes. The M2 Freeway Program consists of 13 projects listed in the M2 TIP, which have been subdivided into 30 project segments for delivery purposes. As of December 2020, 12 project segments have been completed, five are in construction, and seven are initiating design/readying for construction. The remaining six project segments are currently in project development.

The 2020 Next 10 Plan incorporates the Board's direction in December 2020 to keep the freeway projects that were advanced in 2019 on track and proposes to deliver 14 project segments through construction by FY 2029-30. In particular, the 2019 Next 10 Plan included the delivery of Project F: State Route 55 (SR-55) between Interstate 5 (I-5) and State Route 91 by 2028. Initially, the 2020 M2 sales tax revenue forecast made delivery of this project, as planned in 2019, a challenge. Five factors allow for the 2020 Next 10 Plan to overcome some financial hurdles to be able to continue project delivery progress.

1. OCTA secured \$140 million of state funding for Project F: SR-55 from Interstate 405 to I-5. The infusion of these funds in the near-term provides greater financial flexibility.
2. Revised bond interest rate assumptions provide OCTA with improved financial capacity.
3. Project cash flows were refined and resulted in a more even distribution of costs.
4. The 2019 Next 10 Plan included an allowance for economic uncertainties in the long term. The increased bond issuance assumed in the 2020 Next 10 Plan is made possible by accessing a portion of the economic uncertainties in future years when anticipated project costs are lower.
5. The 2020 Next 10 Plan maintains one bond issuance in 2023; however, the amount has increased by approximately \$275 million from the 2019 Next 10 Plan.

The 2020 Next 10 Plan will result in 26 of 30 freeway segments to be complete by 2030 when considering projects completed in the first decade of the plan. This outcome fulfills the goal of delivering project benefits early, despite multiple extraordinary financial events that have affected M2 revenues. The 2020 Next 10 Plan update ensures that the four remaining M2 Freeway Program projects will be delivered by 2041. These projects will continue to be reevaluated for an earlier delivery as the Next 10 Plan is reviewed annually.

Included in the M2 Freeway Program is the Environmental Mitigation Program. With the seven mitigation properties already purchased and 12 restoration projects completed, or underway, recurring costs are for management and support, as well as an annual deposit of approximately \$2.9 million to fund a non-wasting endowment. The 2020 Next 10 Plan confirms that OCTA will be able to continue endowment deposits of \$2.9 million annually; the performance of the endowment fund may affect the time frame for full funding. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28.

Streets and Roads Program

The M2 streets and roads elements are programmatic and can scale to available revenues. The M2 Streets and Roads Program includes three programs: Regional Capacity Program (RCP {Project O}), Regional Traffic Signal Synchronization Program (RTSSP {Project P}), and the Local Fair Share Program (Project Q). The RCP makes funding available on an annual basis as a resource to local agencies to address local roadway bottlenecks and close gaps in the roadway network. The RTSSP provides ongoing funding support to ensure a network of 2,000 intersections across the County remain coordinated to minimize stop-and-go traffic. Lastly, the 2020 Next 10 Plan will continue to provide funding to local jurisdictions to improve and maintain streets. The assumptions for the funding of the three programs remain on a “pay-as-you-go” basis. This will ensure annual call for projects (call) for Project O and Project P, as well as a reliable, flexible funding source for local jurisdictions for transportation improvements through 2041.

Transit Program

The M2 Transit Program includes funding for Metrolink operations, station and infrastructure improvements (Project R), implementation of the OC Streetcar (Project S), expanded mobility for seniors and persons with disabilities (Project U), funding for community-based transit circulators (Project V), and enhanced passenger amenities for Orange County’s busiest transit stops (Project W).

Metrolink service continues to be greatly impacted by COVID-19. The FY 2020-21 budget for the Metrolink operating subsidy is based on 45 weekday trips, which is a reduction of nine weekday trips due to the impact of COVID-19 to ridership. In November 2020, Metrolink implemented further service reduction to 41 weekday trips. While the \$64.6 million of Coronavirus Aid, Relief and Economic Security Act funds (approved by the Board in July 2020) have helped

offset fare revenue shortfalls in the near term, Metrolink service relies on an operating subsidy, which OCTA funds through M2. Federal funding is also used to offset some of the capital costs of the service. Depending on Metrolink ridership, recovery projections, and future service level assumptions, maintaining pre-COVID-19 service or expansion of service may no longer be feasible. With the reduced revenue forecast, the 2020 Next 10 Plan assumes the operating subsidy to maintain current service levels. OCTA will continue to actively engage with Metrolink and other member agencies and monitor ridership levels and the corresponding financial impacts to M2.

Project S funds the capital and long-term operating cost of the OC Streetcar. The reduced revenues do not impact the delivery of the OC Streetcar. Yet, the amount of funding available to extend the reach of Metrolink service will decrease from nearly \$800 million in the 2019 Next 10 Plan to approximately \$628 million available for capital and operations of any future extensions to Metrolink.

Project U is made up of three programs: Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program. While all three programs adjust to available revenue, the Fare Stabilization Program requires a minimum level of funding. This presented a challenge as that minimum level of funding did not contemplate significant decreases in sales tax revenues. As such, OCTA proactively addressed this dual requirement with an early amendment to the M2 Ordinance to provide additional funding.

Both Project V and Project W are funded on a pay-as-you-go basis. Although the majority of Project V services remain suspended due to COVID-19, OCTA continues to communicate with cities to help preserve grant funds and assess future service resumption. Through Project W, OCTA will continue to invest in amenities at the County's busiest transit stops.

Environmental Cleanup Program

The Environmental Cleanup Program (ECP) also adjusts to available revenues and is funded on a pay-as-you-go basis. ECP projects prevent the flow of trash and debris into waterways. The 2020 Next 10 Plan continues to commit to annual Tier 1 calls. The next Tier 2 call is anticipated in 2022, with future calls determined based on local jurisdiction interest and cash flow analysis.

Key Risks and Actions to Protect M2 Delivery

While the M2 Program continues to demonstrate financial stability, OCTA remains cognizant and continues to monitor delivery risks. A table of risks is included on pages six through eight in Attachment B, with two key risks highlighted below.

- **Funding** – The COVID-19 pandemic added a new layer of uncertainty for sales tax revenues. While an allowance for economic uncertainties provides some financial security, additional revenue fluctuations will need to be carefully monitored. In addition, state and federal priorities continue to shift, which affect future external funding opportunities for the M2 Freeway Program. Current external funding commitments are assumed in the M2 cash flow for the 2020 Next 10 Plan, but the prospects of future revenues for highway projects are low.
- **Regulatory Risks** – Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk could manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery.

Updated revenue assumptions and commitments result in a delivery plan that ensures the M2 promises to voters are upheld. This balanced plan not only allows OCTA to maintain current commitments but will also allow OCTA to weather reasonable changes to cost or revenues in the future.

Summary

Staff has reviewed and updated the Next 10 Plan with the \$11.6 billion forecast, revised external funding, and refined project costs. Despite the lower forecast, prudent financial decisions to date result in a delivery plan that fulfills OCTA's commitment to the voters of Orange County. The 2020 updated Next 10 Plan is presented for Board review and approval.

Attachments

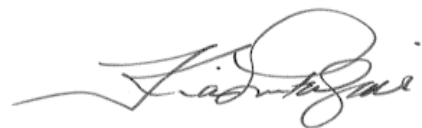
- A. Measure M Investment Summary
- B. 2020 Update, Next 10 Delivery Plan, 2021-2030, Draft
- C. 2020 Updated Next 10 Delivery Plan – Ten Balanced Deliverables
- D. 2020 Updated Next 10 Delivery Plan, M2 Program Cash Balance

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Measure M Investment Summary

LOCATION		PROJECTS	COSTS 2005 estimates in millions	
Freeway Projects (in millions)				\$4,871.1
I-5	Santa Ana Freeway Interchange Improvements	A	\$470.0	
I-5	Santa Ana/San Diego Freeway Improvements	B C D	1,185.2	
SR-22	Garden Grove Freeway Access Improvements	E	120.0	
SR-55	Costa Mesa Freeway Improvements	F	366.0	
SR-57	Orange Freeway Improvements	G	258.7	
SR-91	Riverside Freeway Improvements	H I J	908.7*	
I-405	San Diego Freeway Improvements	K L	1,392.5*	
I-605	Freeway Access Improvements	M	20.0	
All	Freeway Service Patrol	N	150.0	
Streets & Roads Projects (in millions)				\$3,625.0
	Regional Capacity Program	O	\$1,132.8	
	Regional Traffic Signal Synchronization Program	P	453.1	
	Local Fair Share Program	Q	2,039.1	
Transit Projects (in millions)				\$2,832.0
	High Frequency Metrolink Service	R	\$1,129.8*	
	Transit Extensions to Metrolink	S	1,000.0	
	Metrolink Gateways	T	57.9*	
	Expand Mobility Choices for Seniors and Persons with Disabilities	U	392.8*	
	Community Based Transit/Circulators	V	226.5	
	Safe Transit Stops	W	25.0	
Environmental Cleanup (in millions)				\$237.2
	Clean Up Highway and Street Runoff that Pollutes Beaches	X	\$237.2	
Taxpayer Safeguards and Audits (in millions)				\$296.6
	Collect Sales Taxes (State charges required by law)		\$178.0	
	Oversight and Annual Audits		118.6	
Total (2005 dollars in millions)				\$11,861.9

*Asterisk notes project estimates that have been amended since 2006.

2020
UPDATE

NEXT 10

DELIVERY PLAN

2021-2030

DRAFT



UPDATED APRIL 2021



On April 12, 2021 the Orange County Transportation Authority Board of Directors (Board) will consider adoption of the Draft 2020 Updated Next 10 Delivery Plan (Next 10 Plan). Per Board approval in December 2020, the timeframe of the Next 10 Plan has been shifted from fiscal year (FY) 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30. As such, original commitments have been reviewed and adjusted accordingly. The Draft 2020 Next 10 Plan also incorporates refined project information including cost estimates, schedules, and available external funding.

Printed April 2021

**For the latest version of the Next 10 Plan,
including any edits or corrections,
please visit: www.octa.net/Next10**

**For status updates on M2 projects and programs,
including quarterly progress reports,
please visit: www.octa.net/m2**

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2020
UPDATE

NEXT 10

DELIVERY PLAN

Introduction

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2020 UPDATE **NEXT 10** DELIVERY PLAN

Introduction

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the renewal of the Measure M one-half cent sales tax for transportation improvements. Voters initially endorsed Measure M (M1) in 1990 with a sunset in 2011. With the approval of Renewed Measure M2 (M2), the voters agreed to a continued investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

Since M2 (also branded externally as OC Go) approval, the Orange County Transportation Authority (OCTA) Board of Directors (Board) has continued to pursue the expeditious implementation of M2 through the adoption of a series of early delivery plans. These early delivery plans are designed to ensure the delivery of all projects and programs as promised to the voters. The goal is to bring transportation improvements to Orange County residents and commuters earlier, and as appropriate, address changes in sales tax revenue projections through strategic financing and augmenting the M2 Program with external revenue. To date, there have been three early delivery plans: Early Action Plan (EAP) adopted in 2007, M2020 Plan adopted in 2012 (intended to go through 2020), and the Next 10 Delivery Plan (Next 10 Plan) adopted on November 14, 2016. Due to changes in sales tax revenue projections, the M2020 Plan was replaced after four years with the Next 10 Plan that covered FY 2016-17 through FY 2025-26. In December 2020, the Board approved a shift of the Next 10 Plan timeframe to span FY 2020-21 through FY 2029-30. See the M2 Timeline on the following page.

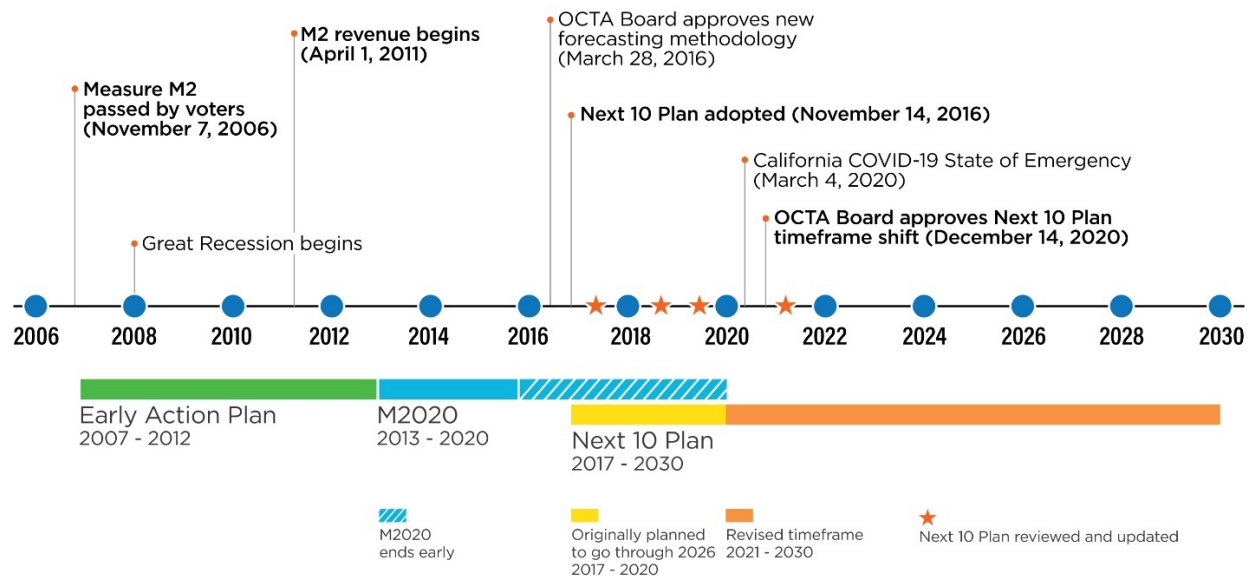
To ensure and reconfirm the ability to deliver the Next 10 Plan, annual reviews and updates have taken place incorporating changes in sales tax revenue forecast assumptions, external revenue, and project cost and schedule refinement.

A summary of the adopted plan and annual updates of the base assumptions follow:

- The 2016 adopted Next 10 Plan set M2 project and program priorities based on a revenue forecast of \$14.2 billion through 2041. The Next 10 Plan revenues were augmented by net excess 91 Express Lanes revenue, in an amount not to exceed the project costs for two eligible projects on State Route 91 (SR-91) - Project I between State Route 57 (SR-57) and State Route 55 (SR-55) and Project J between State Route 241 (SR-241) and the Riverside County line. Net Excess 91 Express Lanes revenue is designated to improvements on the 91 Corridor.

- The 2017 update incorporated a revised \$13.5 billion revenue forecast and required bonding adjustments and inclusion of the full amount of eligible excess 91 Express Lanes revenue. The update also designated Project I as one of the priority projects for advancement and included plans to initiate construction by 2026.
- The 2018 update incorporated a revised \$13.1 billion revenue forecast offset by an early \$300 million increase in captured external revenue. The update also responded to construction market concerns of potential project cost increases in the freeway program by incorporating a program level line item for economic uncertainty to ensure OCTA could weather fluctuations in M2 revenue receipts. The 2018 update anticipated up to four bond issuances during the Next 10 Plan period to accommodate market changes if necessary.
- The 2019 update incorporated a revised \$13.4 billion revenue forecast, which was the first increase in the M2 forecast since 2014. The increase was driven by the growing economy and the implementation of the Wayfair decision in California. The Wayfair related legislation enabled the collection of sales tax for out-of-state transactions. As a result of the decision, increased sales tax receipts were incorporated in the short-term forecast provided by MuniServices, LLC, which increased the overall long-term forecast.

M2 Timeline



2020 Review

The coronavirus (COVID-19) pandemic has introduced new pressures to sales tax revenues and on the M2 program as a whole. With the uncertainties of the economic impacts of COVID-19, staff provided frequent updates to the Board as information became available. On August 24, 2020, a preliminary M2 sales tax revenue forecast of \$11.6 billion was presented to the Board. Following the FY 2019-20 fourth quarter tax receipts, on October 26, 2020, the M2 sales tax revenue forecast was finalized and confirmed to remain at \$11.6 billion. This represents a year-over-year \$1.8 billion decrease and the lowest forecast since M2 inception.

To address the significant reduction in sales tax revenues, staff explored options to manage the impacts. On December 14, 2020, three options were presented to the Board for discussion and consideration. The Board directed staff to refine the option that balanced OCTA's ability to maintain progress on near-term projects, ready additional projects for delivery, and optimize the level of debt financing that would be required to support this approach. Given the fluidity of current events, the Board requested that staff await the release of sales tax revenue information through December 2020 before presenting an updated Next 10 Plan. In addition, the Board approved the adjustment of the Next 10 Plan timeframe from FY 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30.

On March 8, 2021, staff provided an update to the Board on sales tax revenue information through December 2020. The data showed that sales tax collections remain consistent with the projections presented to the Board in October 2020 and that the total forecasted M2 sales tax revenues remains at \$11.6 billion.

For this effort, staff reviewed and updated the cash flow for the complete M2 plan of projects and programs. The 2020 update incorporates the lower M2 sales tax revenue forecast, current programmed external revenue, revised bonding assumptions to maintain project delivery schedules, and refined project cost estimates. Due to the Next 10 Plan timeframe adjustment, commitments have been adjusted as appropriate. Through this process, staff confirmed that the M2 Program remains deliverable.

Next 10 Plan Delivery Risks

While the M2 Program continues to demonstrate financial viability, OCTA remains cognizant of the delivery risks of M2 projects and programs. A table of identified risks are included on pages 6 through 8 with two key risks highlighted below.

Funding – The COVID-19 pandemic has added a new layer of uncertainty for sales tax revenues. While an allowance for economic uncertainties provides some financial security, additional revenue fluctuations will need to be carefully monitored. In addition, state and federal priorities continue to shift, which reduce future external funding opportunities for the M2 freeway program. Current external funding commitments are assumed in the M2 cash flow for the 2020 Next 10 Plan, but prospects of future revenues

for highway projects is low. This is because current state policies favor projects that reduce automobile travel. These policies are more suited to the advancement of transit projects where OCTA has more flexibility in defining the scale the scope of the projects. However, new state policies are not well suited for conventional freeway projects.

Regulatory Risks – Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery.

In order to be successful, OCTA needs to be aware and prepared to manage risks in several areas. A summary table of the risks, explanations, and suggested management actions are identified on the following pages and are tracked and reported in the M2 Quarterly Progress Reports presented to the Board, following each fiscal year quarter.

Delivery Risk		Explanation	Planned Action
	On Track		One to Watch
Financial			
1	The 2020 M2 revenue forecast is \$11.6 billion, which is a \$1.8 billion (13 percent) decrease from the 2019 M2 revenue forecast due to the COVID-19 pandemic. If sales tax revenue continues to be lower than projections, this will further challenge delivery	The COVID-19 pandemic has introduced additional risk to the M2 program sales tax revenue. The latest \$11.6 billion revenue forecast represents the lowest forecast since M2 inception.	In December 2020, staff presented three options to address the significant decrease in the M2 revenue forecast for Board discussion and feedback. The Board directed staff to pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible given the fluidity of current events. The 2020 update of the Next 10 Plan incorporates Board direction and confirms that the M2 program remains deliverable as promised.
2	Inability to scale the Freeway Program to available revenue and still deliver the M2 commitments.	The Freeway Program includes set project scopes leaving limited flexibility in what is delivered.	OCTA will work closely with California Department of Transportation (Caltrans) to apply value engineering strategies on projects to manage costs.

Delivery Risk		Explanation	Planned Action
3	Schedule and scope changes on capital projects that impact delivery and project costs.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope, schedule, and costs.	OCTA will work closely with Caltrans and project contractors to limit changes in scope and schedule to a minimum.
4	Sustain Metrolink train service as an attractive alternative to driving in Orange County within the limits of available revenue.	Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with Burlington Northern Santa Fe Railway (BNSF) are revised, and new air quality requirements are implemented. COVID-19 has introduced new risks as ridership and revenue has been greatly impacted in Orange County.	In September 2020, Metrolink adopted a Recovery Plan Framework to ensure the safety of passengers and employees and restore service in a post-COVID-19 environment. Metrolink received \$64.6 million in one-time federal funds through the Coronavirus Aid, Relief and Economic Security Act, which alleviates some concerns in the short-term. OCTA will continue to work closely with Metrolink and member agencies to ensure cost increases are minimized, while continuing to seek external revenue.
5	Potential for an environment of increasing cost as M2 capital projects are readied for construction.	The fall 2020 Next 10 Plan Market Conditions Forecast and Risk Analysis reflects a cooling of the prior increasing cost environment in 2021 and 2022, but a return to a normal inflationary increase in 2023. The COVID-19 pandemic impacts may cause this to change during the Next 10 Plan delivery years.	The Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three year look ahead. OCTA will continue to monitor bid results and market conditions affecting project costs.
6	Reduced external funding opportunities for the M2 freeway program.	State and federal priorities continue to shift and favor projects that reduce automobile travel, which limits future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2020 Next 10 Plan, but prospects of future revenues for highway projects is low.

Delivery Risk	Explanation	Planned Action
Resource		
7	Substantial work underway in the region has resulted in significant demand for professional and skilled labor which can impact delivery given the volume of the M2 capital program.	The economic impacts of COVID-19 and its effects on unemployment may change the availability of key talent. If shortages continue, project delivery costs could rise but if additional labor resources are available it may temper costs and reduce delivery risk. OCTA will monitor impacts of COVID-19 on the labor market as well as contractor reported COVID-19 cases. Expert and timely coordination between OCTA and Caltrans is imperative to manage this risk. Staff is currently working with Caltrans to ensure resource needs are met.
8	New operational responsibilities with the OC Streetcar.	With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations. OCTA holds a successful track record in operating various transportation systems including both a fixed- and demand-based bus network. To ensure success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee start-up and daily operations. A contractor with extensive experience in operations of rail systems was selected to handle the startup and revenue operation phases. Additionally, in September 2020, OCTA initiated a project to review the organizational structure of the Operations Division.
Regulatory		
9	Changing federal and state directives could affect M2 freeway project approvals.	Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals. If the approvals require a review or revision, these new requirements could impact delivery.

Guiding Principles

During the development of the EAP, guiding principles were established that set direction for staff on establishing priorities for freeway project acceleration. These guiding principles continue to instruct us today and were used to identify projects to recommend moving from the environmentally cleared/shelf-ready list to early funding through construction.

- Project Readiness
- Congestion Relief and Demand
- External Funding Availability
- Public Opinion and Support
- Project Sequencing and Connectivity
- Project Duration

Updated Next 10 Plan Deliverables

Significant M2 Program accomplishments and progress has been made since 2007. The updated Next 10 Plan is based on ten deliverables intended to provide guidance on program and project delivery during the ten-year period from 2021 through 2030.

Freeways

1. Deliver 14 freeway improvement projects through construction (Projects A-M).

Status:

The M2 Freeway Program is currently made up of 30 projects or project segments (projects). As of December 2020, 12 of the 30 total projects have been completed. Deliverable 1 includes 14 of the 18 remaining projects to be delivered (or underway) within the Next 10 Plan timeframe. See Appendix for a table of the completed projects.

In Construction		Construction Complete	Cost
1. Project A	Interstate 5 (I-5) between SR-55 and SR-57	2021	\$39.7
2. Project C, D	I-5 between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2025	\$195.8
3. Project C, D	I-5 between Oso Parkway and Alicia Parkway/La Paz Interchange	2023	\$203.1
4. Project C	I-5 between Alicia Parkway and El Toro Road	2024	\$165.9
Project C, D	I-5, SR-73 to El Toro Road Landscaping	2026	\$12.4
5. Project K	Interstate 405 (I-405) between SR-73 and Interstate 605 (I-605)	2024	\$1,560.2
In Design		Construction Complete	Cost
6. Project F	SR-55 between I-405 and I-5	2026	\$503.2
7. Project I	SR-91 between SR-55 and Lakeview Avenue	2027	\$101.0

In Design		Construction Complete	Cost
8. Project I	SR-91 between La Palma Avenue and SR-55	2028	\$208.5
9. Project I	SR-91 between Acacia Street and La Palma Avenue	2028	\$116.2
10. Project M	I-605 Katella Avenue Interchange	2025	\$29.0
In Environmental		Construction Complete	Cost
11. Project B	I-5 between I-405 and Yale Avenue	2029	\$230.5
12. Project B	I-5 between Yale Avenue and SR-55	2028	\$200.4
13. Project F	SR-55 between I-5 and SR-91	2029	\$131.3
14. Project G	SR-57 Northbound from Orangewood Avenue to Katella Avenue	2026	\$71.8
Deliverable 1 Total			\$3,769.0

2. Prepare remaining freeway improvement projects for delivery (Projects A-M).

Status: The four remaining projects (of the 30 total) are environmentally cleared or on track to be cleared by 2030, making them shelf-ready for future advancement. These projects will continue to be reevaluated for earlier delivery as the Next 10 Plan is reviewed annually.

Remaining Projects		Environmentally Clear Shelf-Ready	Cost
1. Project D	I-5 El Toro Road Interchange	2021	\$120.5 ¹
2. Project G	SR-57 Northbound from Lambert Road to Tonner Canyon Road	2024	\$212.3 ¹
3. Project J	SR-91 between SR-241 and Interstate 15 (I-15)	2030	\$300.0 ¹
4. Project L	I-405 between I-5 and SR-55	2018	\$262.4
Remaining M2 Freeway Projects Total			\$895.2²

These four projects listed below have specific reasons related to the application of the guiding principles that require additional time prior to these projects being recommended for advancement which are described below.

- Project D – I-5 El Toro Road Interchange is in the environmental phase and has faced challenges determining a build alternative that has local support and consensus with the three stakeholder cities (cities of Laguna Hills, Laguna Woods and Lake Forest).

¹ These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

² The total will be revised once the three remaining projects (Project D, G, and J) complete environmental clearance and have a selected project alternative.

Using the guiding principles – Readiness and Public Support, this project needs additional time before it moves forward. Built into M2 was a promise that projects would be delivered in cooperation with local agencies. The three stakeholder cities have been asked to work together to come to consensus on a mutually acceptable and viable alternative at which time the project will be ready to be advanced. A consultant was retained in September 2020 by OCTA to provide further assessment of the build alternatives to help facilitate reaching an agreement. Results of the assessment will be presented to the Board and the cities in early 2021.

- Project G – SR-57 Northbound Lambert Road to Tonner Canyon Road is scheduled to begin the environmental phase within the Next 10 Plan timeframe. Through the SB 1 (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program, an initial phase for interchange improvements at the Lambert Road interchange is currently underway and is anticipated to be completed in early 2022. The mainline project could be a strong candidate for additional trade corridor funding and will require coordination to address connectivity with Los Angeles County. Reviewing the guiding principles – Readiness, External Funding and Project Sequencing and Connectivity, a decision for moving this project into design following environmental clearance will be annually reviewed during the Next 10 Plan update or brought to the Board as a separate item.
- Project J – SR-91 between SR-241 and I-15 is part of a bigger package of improvements underway between OCTA and the Riverside County Transportation Commission (RCTC) with a planned sequencing of project improvements in the 91 Corridor jointly agreed to by both OCTA and RCTC's Board. RCTC, with OCTA's support, is advancing the westbound portion of this project (between SR-241 and Green River Road). Construction on this project began in November 2020 and is anticipated to be completed late 2021. The eastbound lane project has engineering challenges due to project area topography (Santa Ana Canyon) and natural constraints (Santa Ana River) and requires an engineering feasibility assessment. Reviewing the guiding principles – Readiness and Project Sequencing and Connectivity, this project will move forward following the engineering feasibility study which is anticipated to be completed in mid-2021.
- Project L – I-405 between I-5 and SR-55 is a parallel facility to the two Project B segments on I-5 listed above. Only one project can move forward at a time due to construction on both creating excessive inconvenience to the traveling public. Project B was determined to be a higher priority project than Project L at this time, based on the guiding principles Project Sequencing and Connectivity and Project Congestion Relief and Demand. Congestion levels on the I-5 are higher than in the Project L, I-405 improvement area. Additionally, a significant Caltrans safety project is scheduled to take place within the Project L project limits and will require additional coordination.

Streets and Roads

- 3. Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system, synchronize signals (Project O and P) and continue flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs, as appropriate (Project Q).**

Status: As of December 2020, OCTA has awarded approximately \$426.4 million in competitive funding through the Regional Capacity Program (RCP) (Project O) and Regional Traffic Signal Synchronization Program (RTSSP) (Project P) through annual calls for projects (call). Additionally, \$475.6 million in Local Fair Share (LFS) (Project Q) funds have been distributed to local jurisdictions.

Transit

- 4. Maintain Metrolink service and complete two rail station improvements (Project R).**

Status: In October 2019, three weekday intracounty round trips operating between Laguna Niguel/Mission Viejo and Fullerton were replaced with two round trips between Laguna Niguel/Mission Viejo (extended from Fullerton) into Los Angeles. Additional service changes were scheduled to be implemented in April 2020, however, due to COVID-19, they have been postponed until full service is reinstated.

In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. The three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) now operate 41 trains from the 54 daily trains operated prior to COVID-19. OCTA will continue to actively engage with Metrolink and other member agencies and monitor ridership levels and the corresponding financial impacts to M2.

Within this program, funding is provided for rail corridor and station improvements to accommodate increased passenger train service - including station upgrades, parking expansions, and safety enhancements. Two station improvement projects to be completed during the Next 10 Plan timeframe have completed design and are ready to begin construction. The Anaheim Canyon Metrolink Station improvements project was advertised for construction in October 2020 and construction is anticipated to begin in early 2021. The Placentia Metrolink Station project is ready for construction; however, it is contingent on a BNSF construction and maintenance agreement to be in place before the project is advertised.

In Design		Anticipated Construction Complete
1.	Anaheim Canyon Metrolink Station	2022
2.	Placentia Metrolink Station	2023

Outside of the Next 10 Plan but important to Metrolink operations is an undertaking by Metrolink of a major systemwide rehabilitation program that, in addition to safety, will help improve system reliability and performance for commuters. This multi-year program requires funding over and above ongoing maintenance and operation costs. Analysis to date indicates that Orange County's share is manageable within the M2 funding limits primarily as a result of past and present proactive efforts of OCTA.

5. Complete construction, secure vehicles, begin operating the OC Streetcar, and work with local jurisdictions to consider recommendations from planning studies to guide development of future high-quality transit connections (Project S).

Status: With strong Federal Transit Administration (FTA) support for the project, a full funding grant agreement (FFGA) was executed in November 2018 providing OCTA with \$149 million in federal funding to support the project. The OC Streetcar construction contract was executed and a notice to proceed was issued on March 4, 2019 as well as the vehicle manufacturing contract. Construction activities are underway, including coordination with third parties on utility relocation, award of the operations and maintenance contract and continued coordination with the FTA. Construction is anticipated to be complete with operations beginning in 2022.

6. Support expanded mobility choices for seniors and persons with disabilities (Project U).

Status: Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since 2011, these three programs have provided \$84.6 million³. The SMP provides funding for local transportation services to participating cities in Orange County. Participating agencies design and implement transit service that best fits the needs of older adults (age 60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior (60 and above) transportation to and from medical appointments, dentists, therapies, exercise programs, testing and other health related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization program provides stable discounted fares for seniors and persons with disabilities by lowering the cost of riding transit.

7. Work with local agencies to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).

Status: Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. The most recent Project V call was

³Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or the agency resumes transportation services, whichever occurs first.

programmed by the OCTA Board on April 13, 2020. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board. Currently, two services are active, and all other remaining active services have been suspended (or were not initiated) as a result of the COVID-19 pandemic. Staff continues to work with local jurisdictions through letters of interest requests, workshops, Comprehensive Transportation Funding Program Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation, especially in light of the COVID-19 pandemic.

8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).

Status: Through three calls, the Board has approved \$3.1 million to improve 114 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, improved lighting, and other passenger related amenities. To date, 43 improvements funded through the first call have been completed and an additional 71 improvements were funded for implementation through the second and third round of funding.

Environmental

9. Ensure the ongoing preservation of purchased open space, which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).

Status: In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the Environmental Mitigation Program (EMP), allowing streamlined project approvals for the M2 freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination for streambed alternation agreements. In January 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.

To ensure ongoing preservation of the open space, an endowment was established to pay for the long-term management of the conservation properties (Preserves). OCTA deposits approximately \$2.9 million annually; these deposits are expected to be made over a ten to 12 year period or until the fund totals approximately \$46.2 million. In July 2020, OCTA made the fifth deposit. As of December 31, 2020, the endowment balance is \$17.7 million, which is performing above original projections due to higher investment earnings and lower fees.

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs to prevent the flow of trash, pollutants and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (ECP) (Project X).

Status: In May 2010, the Board approved a two-tier approach to fund Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since 2011, the Board has approved \$27 million in funding for 189 Tier 1 projects through ten calls and \$27.9 million for 22 Tier 2 projects through two calls.

Oversight and Safeguards

The 2020 Next 10 Plan is taking place with the full oversight and regular reporting promised to the voters. Regular progress reports on implementing the Next 10 Plan are included in the M2 Quarterly Progress Reports that are prepared for the Board. These reports are included on the OCTA website, as well as other means, to ensure accessibility and transparency of the information. Contact information for the OCTA staff member responsible for each program or project is included.

Additionally, as specified in the M2 Ordinance No. 3 (M2 Ordinance), Section 10, there will be three performance assessments conducted during the Next 10 Plan time period. Performance assessments are to be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of OCTA in satisfying the provisions and requirements of the M2 Plan and M2 Ordinance. These assessments will take place during 2021, 2024, and 2027. Procurement efforts for the next performance assessment will begin in early 2021 to have a consultant contract executed by July 1, 2021.

Also included in the M2 Ordinance, Section 11, is a ten-year comprehensive review of M2 programs and projects, which will be initiated during the Next 10 Plan time period. Due to the early initiation of project development activities prior to the start-up of revenue collection in 2011, the first review was completed in FY 2014-15. A second review is planned to take place in FY 2024-25 (or sooner if warranted) and will determine the basis for setting the direction of future refinements to the M2 Plan. The ten-year review includes a comprehensive review of all projects and programs implemented under the M2 Plan to evaluate the performance of the overall program and may result in revisions to further improve performance.

Sustainable Communities Strategy

It is important to note that M2 also supports and enhances the ability of OCTA to support the regional Sustainable Communities Strategy in Orange County. M2 projects and programs are part of a larger suite of transportation improvements included in the 30-year M2 Plan.

More than 50 percent of M2 funds are intended to fulfill transit, system optimization, enhanced environmental elements and infrastructure preservation goals. In addition, the funding eligibility criteria encourages local agencies to consider accommodations for transit and non-motorized transportation.

M2 was publicly reviewed through a Program Environmental Impact Report (EIR) prior to voters approving the ballot measure in November 2006. Since 2008, the M2 Program has been included in the Regional Transportation Plans, Sustainable Communities Strategies, and the associated Program EIR prepared by the Southern California Association of Governments.

In addition to funding freeway improvements, the M2 Program dedicates funding for many transit and local street improvement projects. These include improvements such as:

- New transit connections between major Orange County activity areas that reduce the need for short automobile trips;
- Enhanced convenience and reliability for bus services and Metrolink commuter rail to encourage transit as a dependable commute option;
- Local funding for development of multimodal corridors and roadway preservation that improves the quality of mobility for all users; and
- Signal synchronization on 750 miles of roadways throughout Orange County to reduce congestion and tailpipe emissions.

The Freeway EMP has preserved 1,300 acres of wild lands that will be converted to the Preserves to enhance connectivity and wildlife movement between existing conservation areas - such as the Cleveland National Forest, the Chino Hills State Park, and the Irvine Ranch Conservancy lands - and to coastal areas. Furthermore, the program also provides critical habitat for endangered or listed species. Additionally, since M2 inception, the ECP has funded over 200 projects totaling over \$55 million to treat storm water runoff and help keep waterways and beaches clean in Orange County. The aforementioned transit, local streets, and environmental programs collectively contribute to and enhance the quality of life, as well as provide a sustainable future, and an efficient transportation system that benefits the region.

Brief summaries of the specific programs are listed below.

- ✓ Projects A through N – Freeway improvements and Freeway Service Patrol (FSP) to provide emission reductions through congestion relief.
- ✓ Projects O and P – Signal synchronization and street improvements that provide emission reductions through congestion relief and flexibility to accommodate bike and pedestrian project elements as appropriate.
- ✓ Project Q – Local funding for city-selected transportation projects that provide for preservation of the streets and roads system and includes bike, pedestrian, water quality, and transit enhancements as eligible expenditures.

- ✓ Project R – Expanded Metrolink train capacity including improvements to stations and parking to improve transit reliability and convenience and reduce reliance on highways while also supporting potential transit-oriented development.
- ✓ Project S – Transit extensions to improve access between Metrolink stations and residential/employment centers, and provide an alternative to driving.
- ✓ Project T – Station improvements to connect to planned future High-Speed Rail services.
- ✓ Project U – Sustain mobility choices for seniors and persons with disabilities and provides an alternative to driving.
- ✓ Project V – Community-based circulators to complement regional transit services with local communities and provides an alternative to driving.
- ✓ Project W – Transit stop improvements to support transfers between major bus lines, and support the implementation of mobile ticketing to ensure ease of fare purchase and convenience for bus passengers.
- ✓ Project X – Water quality improvement programs/projects to meet federal Clean Water Act standards for urban runoff, and augment required mitigations.
- ✓ Freeway Mitigation Program – Natural resource protection strategy to provide for more comprehensive mitigation of environmental impacts from M2 freeway improvements.

Updated Next 10 Plan Funding Assumptions

Funding assumptions are included in the 2020 Next 10 Plan. The revenue assumptions incorporate the latest 2020 M2 sales tax revenue forecast of \$11.6 billion and prior commitments in programmed local, state and federal external revenues.

Projected revenues and expenses are merged into a high-level cash flow model. To support project delivery schedules in the Freeway Program, bond assumptions are also included. With the decrease in the revenue forecast as well as refined project costs, bond assumptions remain at one planned issuance in 2023, however, the amount anticipated has nearly doubled. Additional bonding capacity is available, as OCTA's debt coverage ratios are well above the allowable amount of 1.3x. The minimum forecasted debt coverage ratio during the Next 10 Plan timeframe is 3.6x. This offers significant financial protection against unforeseen economic changes related to project delivery. The appendix on page 106 includes a more detailed discussion on assumed revenues, costs, and debt service.

For the 2020 Next 10 Plan review and update, forecasted revenues and costs through 2041 were tested. This effort was conducted to ensure the complete M2 Program could be delivered consistent with commitments provided to the voters as part of M2 approval in November 2006. Revenues are expected to fluctuate over time. The M2 expenditure plan includes programmatic items which adjust according to available revenues. However, the freeway portion defines specific project scopes which cannot be easily adjusted to revenue fluctuations.

Funding for the freeway mode assumes \$8.3 billion in total revenue, with costs for the same period totaling \$8.3 billion. To date, OCTA has been very successful in capturing external funding to offset the reduction in sales tax revenue. The long-term M2 freeway plan relies on the total receipt of approximately \$1.6 billion in state and federal revenues (this is inclusive of the \$140 million of SB 1 funds awarded in December 2020). Additionally, the program includes \$692 million in net excess 91 Express Lanes revenue and \$1.07 billion in bond proceeds.

As a result of the lower forecasted sales tax and interest revenue, the freeway program net sales tax revenue through 2041 decreased by approximately \$747 million. In addition, each project in the freeway program was reviewed and cost estimates updated. With the majority of the projects now either nearing completion of the environmental phase or in design, project cost estimates have a higher level of engineering and are therefore better defined. Project cost refinements resulted in a net increase of approximately \$244 million. With sales tax revenue down and freeway project costs up, this resulted in an increase to the previously assumed bonding issuance in 2023 to maintain project delivery schedules. To make this possible, economic uncertainties were reduced by approximately half of what was assumed in the 2019 Next 10 Plan.

The funding assumptions in the streets and roads mode assume \$4.3 billion in total revenue, with costs for the same period totaling \$4.3 billion. The projects within the Streets and Roads Program are scaled to available revenue and are cash flowed on a pay-as-you-go basis. The Streets and Roads Program relies on the total receipt of \$600 million in external revenues (state, federal, and local) primarily for the OC Bridges grade separation projects. More detailed program assumptions for the Streets and Roads Program can be found in the Appendix on page 109.

For the transit mode, \$3.3 billion in total revenue is assumed with costs for the same period totaling \$3.3 billion. The majority of projects within the Transit Program are scaled to available revenue with the exception of Project U's Fare Stabilization Program. The M2 Ordinance specifically requires that the Fare Stabilization Program subsidize fares for seniors and persons with disabilities to the extent of maintaining the reduced fare rate effective on July 24, 2006 through 2041. While this program is not scalable, it remains solvent due to OCTA's proactive amendment to the M2 Ordinance. The remaining transit mode programs are assumed on a pay-as-you-go basis. The funding for the transit mode assumes the total receipt of \$498.6 million in local, state and federal revenues. This number is inclusive of \$148.96 million in Federal New Starts and \$25.52 million in State Cap-and-Trade revenues to partially fund the OC Streetcar project. More detailed program assumptions for the Transit Program can be found in the Appendix on page 110.

The ECP assumes \$228 million in total revenue, with costs for the same period totaling \$227 million. The projects within the ECP are scaled to available revenue and are reflected in the cash flow on a pay-as-you-go basis. More detailed program assumptions for the ECP can be found in the Appendix on page 110.

With careful management of the projects and use of financial resources, the full scope of the M2 Program through 2041 can be delivered as promised.

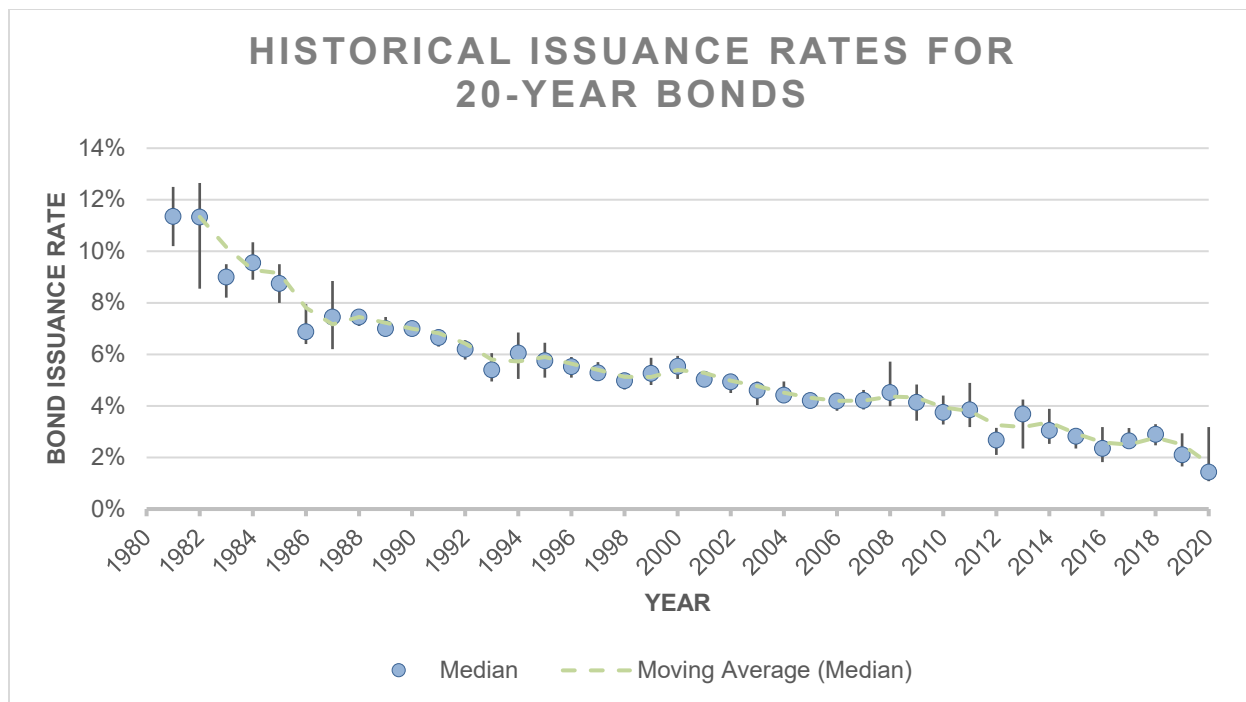
Funding and Financing

The Board's vision in developing the EAP created a great opportunity for the M2 Program. While the economy took a significant downturn due to the 2008 Great Recession, OCTA advanced projects years before revenue became available. Projects were accelerated, making them shelf-ready. This allowed OCTA to capture significant one-time external funding provided through State Proposition 1B and the American Recovery and Reinvestment Act. Using the revised forecasting methodology implemented in March 2016, the 2020 M2 sales tax revenue forecast is \$11.6 billion.

When it comes to the bidding environment, OCTA significantly benefited during the recession by capitalizing on a low-cost environment with early project development and acceleration. When the M2020 Plan was adopted in late 2012, staff reported that freeway construction bids were consistently coming in between ten to 20 percent below engineers' estimates. Since that time, construction bids have slowly risen to meet and in some cases exceed the engineers' estimates. However, the most recent bid for Project C, segment 3, on the I-5 between Alicia Parkway to El Toro Road on June 30, 2020 came in below the engineers estimate, indicating the possibility of a more predictable construction market.

In the 2019 update of the Next 10 Plan, there was one bond issuance anticipated in 2023. This year's update maintains one bond issuance in 2023; however, the amount has increased from approximately \$300 million to \$575 million. This will allow for OCTA to maintain progress on near-term projects and readies additional projects for delivery. The update also continues to maintain prudent annual ending balances and an economic uncertainties allowance, which provides continued financial stability in the event of additional financial fluctuations.

Pay-as-you-go project funding is identified in the M2 Ordinance as the preferred method of financing, while bond financing is an option that is within the purview of the Board. While the current cost of debt remains low and continues to be attractive, only one debt issuance is planned through 2041 to deliver the remaining program of projects promised to the voters. Current 20-year bond rates have declined to 1.17 percent. Although short-term rates have fallen as well, long-term rates remain near all-time lows of 1.08 percent, thus maintaining a relatively "flat" yield curve, allowing OCTA to take advantage of attractive mid- and long-term rates if and when needed. See the graph below showing historical issuance rates of 20-year bonds.



OCTA has a strong track record of successfully delivering projects by utilizing bond financing, as seen in M1, as well as M2, under the EAP and M2020 Plan. The updated Next 10 Plan anticipates bond financing for the Freeway Program as a means to deliver the freeway projects early bringing relief to commuters sooner.

Future Outlook

As noted in the Risks section starting on page 5, major capital work is underway in the southern California region that may impact OCTA's ability to secure resources needed for future project and program delivery. Competition for available resources for capital projects has increased with the major capital work currently underway in Los Angeles, Riverside, and San Bernardino counties. For future projects going forward, engineers, right-of-way (ROW) experts, skilled labor, and materials will be in higher demand.

In September 2017, the Board was presented with a Market Conditions Forecast and Risk Analysis report conducted by economists Dr. Wallace Walrod and Dr. Marlon Boarnet through a contract with the Orange County Business Council (OCBC). The consultant team's analysis identified strong potential for OCTA to experience an increasing-cost environment in the near term. The Board directed staff to continue to work with the consultant team to monitor and track key early warning indicators and provide OCTA information on changes to the risk factors and potential cost impacts. The consultant team analyzed annual trends in material costs, labor costs, and general economic conditions to determine a range of potential cost increases.

In November 2020, the consultant team provided an updated forecast to the Board for 2021 through 2023. The consultant team tracked relevant market data and indicators, performed analytics, and incorporated this analysis to provide OCTA with a range of potential cost fluctuations through the use of an Infrastructure Construction Cost Index (ICCI). The ICCI incorporates a detailed trend analysis of building permits, unemployment rates, localized labor costs, material costs and general economic conditions.

For 2021 and 2022, the consultant team forecasted a low inflation cost environment ranging negative two percent to one percent, followed by a more normal inflation cost environment in 2023. The current range of negative two percent to one percent represents a tempering of market conditions and is primarily attributed to the COVID-19 pandemic. For example, a change from a low unemployment economy to that of a high unemployment economy has lowered the risk for higher labor costs. In addition, building permits in California have slowed down, and building material costs have stabilized.

OCBC Orange County Transportation ICCI Score, 2021-2023		
Year	Index Score	Range of Cost Fluctuation
2021	1	-2% to 1%
2022	1	-2% to 1%
2023	3	2% to 6%

As in prior forecasts and especially with COVID-19, the consultant team indicates that OCTA will also need to be aware and ready to respond to cost pressures that cannot be modeled. Examples of such forces include:

- Tariffs, and associated effects on cost of materials from the nation's changing trade policy;
- Regulatory requirements and changes that create additional hurdles during the bidding process; and
- Future potential economic shutdowns related to COVID-19 spread.

In order to mitigate cost pressures, OCTA's Project Controls Department monitors and adjusts project cost escalation assumptions according to market trends. Project Controls' cost estimating process uses historical information, as well as current trends in the market, and follows a consistent and defined process. Looking back at the last 20 years, OCTA's cost estimates have included a three percent escalation, which, on average during this timeframe, provided the appropriate escalation to deliver projects successfully. Using 3.5 percent for construction escalation, as well as incorporating contingency based on the project type and complexity, is staff's best estimate using industry standards on cost estimating.

Additionally, to further protect against potential cost increases in our freeway capital program and conform to project controls' project estimating process, staff has identified significant bonding capacity that would be available at the Board's discretion if needed. This is intended to safeguard the M2 program and ensure that OCTA does not over commit delivery during this time of uncertainty.

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2020
UPDATE

NEXT 10

DELIVERY PLAN

Freeway Program

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updated 12.31.20

A I-5 (SR-55 to SR-57)
B I-5 (I-405 to SR-55)
C, D I-5 (Avenida Pico to San Juan Creek Road)
C, D I-5 (SR-73 to El Toro Road)
D I-5/Ortega Highway Interchange Improvements
D I-5/El Toro Road Interchange Improvements
E SR-22 Access Improvements
F SR-55 (I-405 to I-5)
F SR-55 (I-5 to SR-91)
G SR-57 NB (Orangewood Avenue to Katella Avenue)
G SR-57 NB (Katella Avenue to Lincoln Avenue)
G SR-57 NB (Orangethorpe Avenue to Lambert Road)
G SR-57 NB (Lambert Road to County Line)

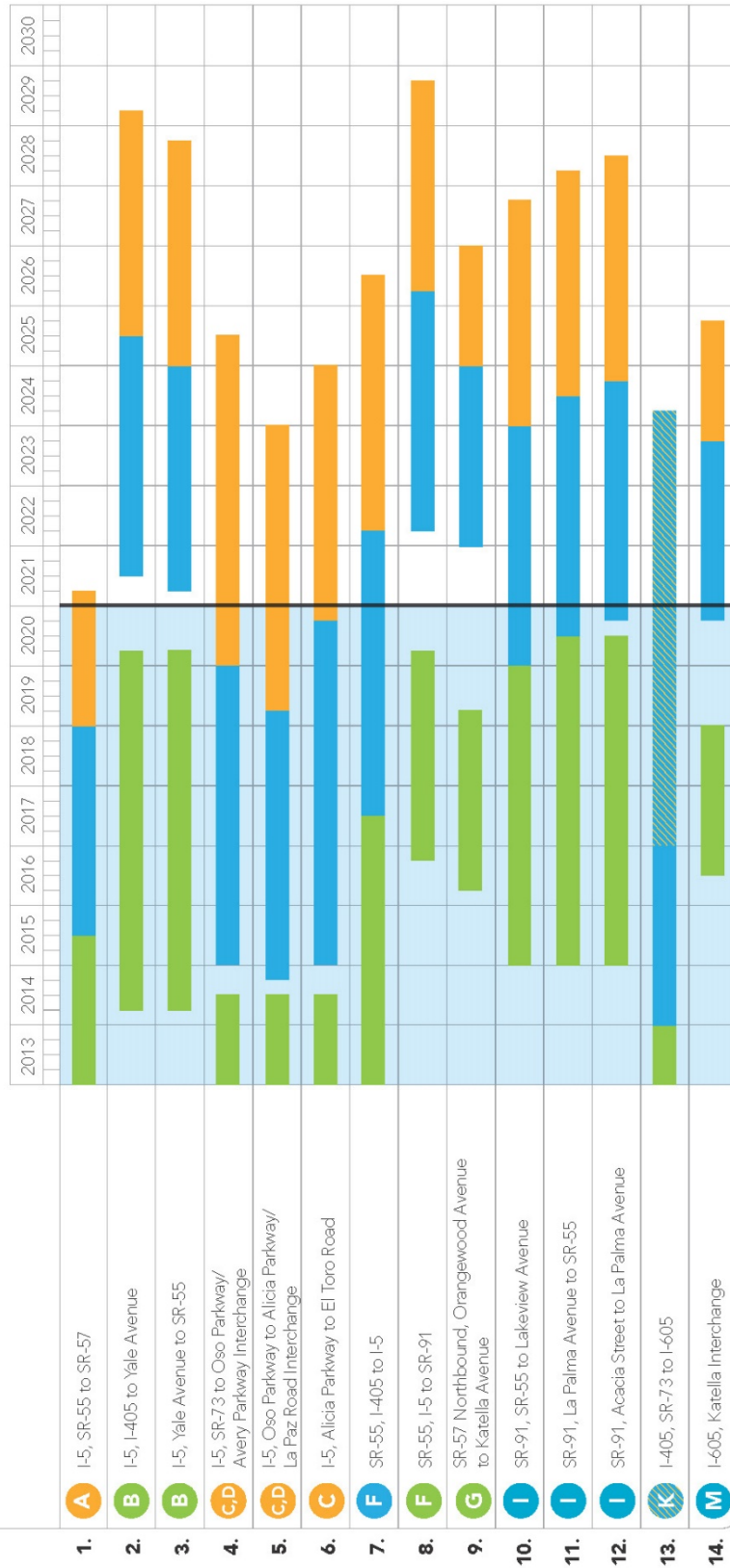
H SR-91 WB (I-5 to SR-57)
I SR-91 (SR-57 to SR-55)
I SR-91 WB (Tustin Avenue to SR-55)
J SR-91 (SR-55 to SR-71)
J SR-91 (SR-241 to I-15)*
K I-405 (SR-73 to I-605)
L I-405 (I-5 to SR-55)

M I-605/Katella Avenue Interchange Improvements

*Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.



OC Go Freeway Projects Through Construction

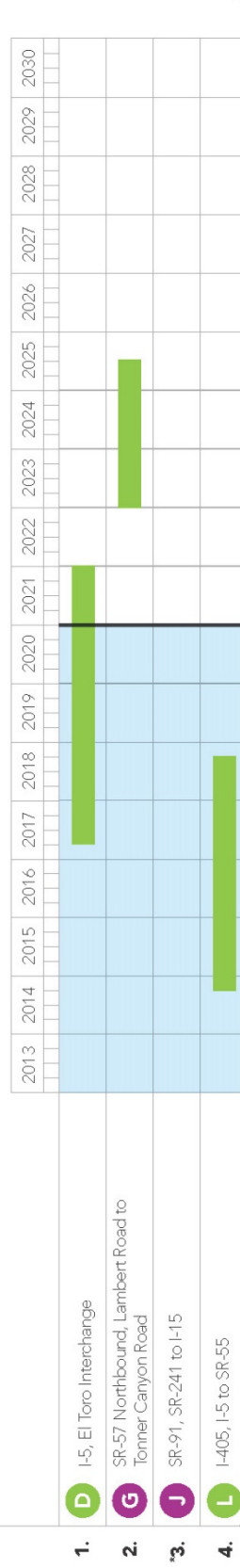


Please note that schedules are updated as of December 31, 2020. Shown schedules are subject to change.

2020 UPDATE
NEXT10
GO
DELIVERY PLAN

Environmental Conceptual

OC Go Freeway Projects Through Environmental Phase/Shelf Ready



Schedule for I-5, El Toro Interchange is updated as of December 31, 2020. Projected and active project schedules are subject to change. The Next 10 Plan provides direction through 2030. Schedules and revenues will be reviewed annually. The Board will adopt an updated delivery plan to provide direction on further advancement as appropriate.

*Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.

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Freeway Program



Overview:

The Freeway Program accounts for 43 percent of the M2 Program. Over the life of M2, approximately \$4.5 billion is expected to be generated in sales tax revenues for freeway Projects A-N (not including the five percent of net revenues apportioned to the EMP). Improving Orange County freeways is a major investment of the M2 Program.

To ensure delivery of the Freeway Program, the Next 10 Plan includes the following framework:

- Bring congestion relief.
- Deliver projects using the guiding principles.
- Work with Caltrans to seek cost effective measures on freeway projects through changes in scope and design parameters where possible.
- Tightly manage project scopes and schedule to reduce cost escalation risk.

Next 10 Plan Deliverables:

When M2 originally passed, 13 freeway projects were highlighted in the M2 Transportation Investment Plan. Since then, these projects have been segmented into 30 projects or project segments. Of this amount, twelve have been completed as of December 2020. Significant progress of the freeway program is included in the Next 10 Plan deliverable goals through 2030:

1. Deliver construction of 14 freeway projects or project segments: six along I-5, one along I-405, two along SR-55, three along SR-91, one along SR-57, and one at the I-605 Interchange (Projects A, C, C/D, F, G, I, K, and M.). These projects along with the prior 12 will be complete or near complete.
2. Prepare the remaining four project segments for delivery. This includes one on I-405, SR-91, and SR-57; and one interchange project at I-5/EI Toro Road (Projects D, G, J and L).

A. I-5 (SR-55 to SR-57)

Description:

Project A reduced freeway congestion by adding a second high-occupancy vehicle (HOV) lane in both directions on I-5 between SR-55 and SR-57. The project was generally constructed within the existing ROW.

Cost:

\$39.74 million (Year of Expenditure [YOE]).

Status:

All lanes opened to traffic in August 2020. Construction is anticipated to be complete in January 2021.

Present Day:

The current daily traffic volume on this segment of I-5 is about 380,000 vehicles and is severely congested. Traffic volumes are expected to increase nearly seven percent by 2035, bringing it up to 406,000 vehicles per day. The HOV lanes experience more congestion in the peak period than the

adjacent general purpose lanes, underscoring the need to add HOV capacity on this freeway segment.

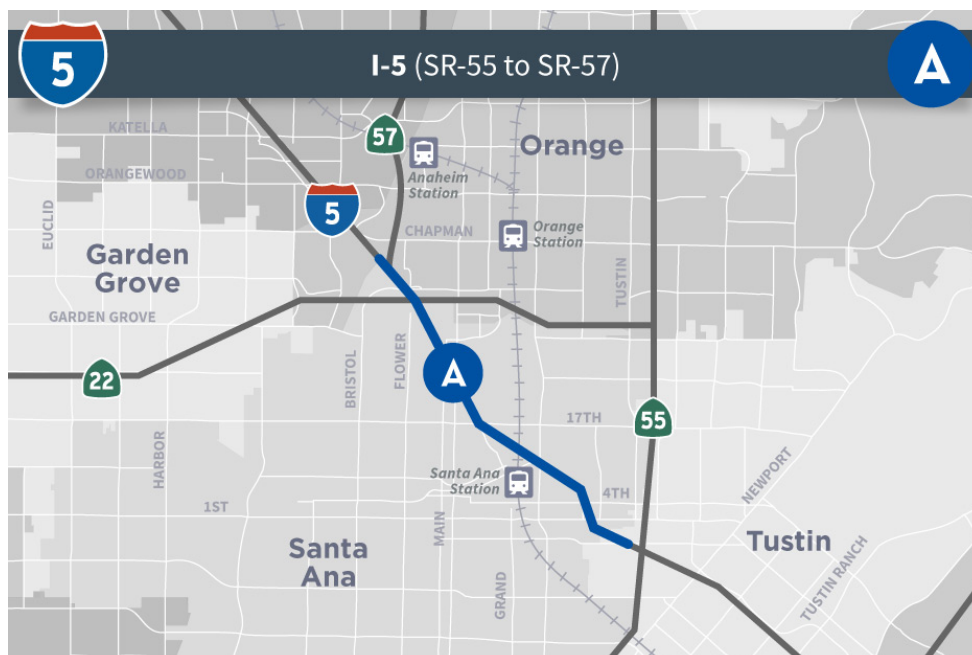
Benefits:

This project increased the capacity of the HOV facility on I-5 in Santa Ana to meet traffic demands and eliminate bottlenecks. Improvements were needed to accommodate HOV traffic from both the SR-55/I-5 and SR-57/I-5 direct HOV connectors.

Originally considered under this project, the extension of the auxiliary lane from southbound I-5 to southbound SR-55 through the McFadden Avenue exit ramp on SR-55 to Edinger Avenue, was instead studied as part of the SR-55 Project F.

External Funding:

The Board has approved \$36.19 million in federal funds to support this project.



A. I-5 (SR-55 to SR-57)

Risks:

No risk to project delivery as the project is substantially complete.

Related Projects:

Projects B and F.

Other Involved Agencies:

California Transportation Commission (CTC), Caltrans, City of Santa Ana, Federal Highways Administration (FHWA), and Southern California Regional Rail Authority.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

B. I-5 (I-405 to SR-55)

Description:

Project B will increase I-5 freeway capacity and reduce congestion by constructing new northbound and southbound general purpose lanes and improving key interchanges in the area between SR-55 and State Route 133 (SR-133) (near the El Toro “Y”). This segment of I-5 is the major route serving activity areas in the cities of Irvine, Santa Ana, and Tustin, and north Orange County. The project will generally be constructed within the existing ROW. The project is divided into two segments as described below.

Segment 1:

This project will add one general purpose lane in each direction between I-405 and Yale Avenue (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to increase freeway capacity and improve traffic operations in the Irvine area.

Segment 2:

This project will add one general purpose lane in each direction between Yale Avenue and SR-55 (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to increase freeway capacity and improve traffic operations in Irvine and Tustin areas.

Cost:

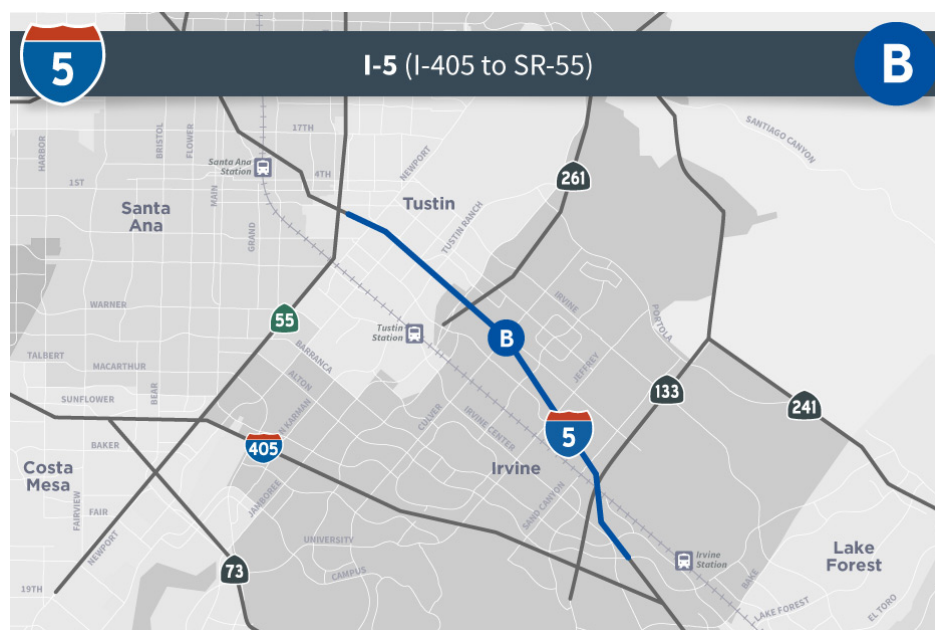
Segment 1: \$230.48 million (YOE).

Segment 2: \$200.44 million (YOE).

Status:

The environmental phase for both segments was completed in January 2020.

Segment 1: The project was advertised for design services on December 14, 2020. Final design for this segment is anticipated to begin in fall 2021.



B. I-5 (I-405 to SR-55)

Segment 2: The project was advertised for design services on June 22, 2020. A design consultant was selected by the Board on November 9, 2020. Final design for this segment is anticipated to begin in spring 2021.

Present Day:

The current traffic volume on this segment of I-5 is about 358,000 vehicles per day and is expected to increase by nearly 16 percent by 2035, bringing it up to 416,000 vehicles per day.

Benefits:

Project improvements would alleviate congestion and reduce delay.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$52.36 million in federal funds and \$140.13 million in state funds.

Segment 2: \$15.03 million in federal funds.

Risks:

Overall time, scope, and costs risks are high with this project due to tight ROW and the need for design variations.

Related Projects:

Projects A and F.

Other Involved Agencies:

Caltrans, cities of Irvine and Tustin, and FHWA.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

C. I-5 (SR-73 to El Toro Road includes Avery & La Paz Interchanges)

Description:

Project C will add new lanes to I-5 from El Toro Road in the City of Lake Forest to the vicinity of SR-73 in the cities of Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest and Mission Viejo. Improvements include continuous HOV access completion and major improvements at the Avery Parkway and La Paz Road interchanges, as part of Project D. The project will generally be constructed within the existing ROW. This project is divided into three segments as described below.

Segment 1:

This project from SR-73 to Oso Parkway will add one general purpose lane in each direction between SR-73 and Oso Creek (approximately 2.2 miles), reconstruct Avery Parkway interchange, and add auxiliary lanes where needed to increase freeway capacity and reduce congestion in Laguna Hills, Laguna Niguel, and Mission Viejo areas.

Segment 2:

This project from Oso Parkway to Alicia Parkway will add one general purpose lane in each direction between Oso Creek and Alicia Parkway (approximately 2.6 miles), reconstruct La Paz Road interchange, and add auxiliary lanes where needed to increase freeway capacity and reduce congestion in Laguna Hills and Mission Viejo areas.

Segment 3:

This project from Alicia Parkway to El Toro Road will add one general purpose lane in the southbound direction between Alicia Parkway and El Toro Road (approximately 1.7 miles), continue the additional general purpose lane in the northbound direction through Alicia Parkway, extend the second HOV lane in both directions from El Toro Road to Alicia Parkway, and add auxiliary lanes where needed to increase freeway



C. I-5 (SR-73 to El Toro Road includes Avery & La Paz Interchanges)

capacity and reduce congestion in Laguna Hills and Lake Forest areas.

Cost:

Segment 1: \$195.80 million (YOE).

Segment 2: \$203.07 million (YOE).

Segment 3: \$165.86 million (YOE).

Landscaping for all three segments: \$12.37 million (YOE).

Status:

Segment 1: Construction began in March 2020 and is scheduled to be complete and open to traffic in 2025.

Segment 2: Construction began in May 2019 and is scheduled to be complete and open to traffic in late 2023.

Segment 3: A construction contract was approved by Caltrans on October 13, 2020. Construction is anticipated to begin in January 2021 and is scheduled to be complete and open to traffic in 2024.

Present Day:

The current traffic volume on I-5 near the El Toro “Y” is about 343,000 vehicles per day. This volume will increase in the future by 22 percent by 2035, bringing it up to 420,000 vehicles per day.

Benefits:

This project will help alleviate congestion and reduce traffic delays. The second HOV extension for Segment 3 will enable more efficient operation of general purpose lanes and

increase capacity for future projected traffic volumes. Adding an additional general purpose lane in Segment 1 and 2 will increase capacity of the freeway to accommodate future projected traffic volumes. The I-5/La Paz Road and I-5/Avery Parkway interchange improvement projects called for in M2 Project D will reduce chokepoints and congestion, as well as accommodate future traffic demands on the local roads at each interchange.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$34.60 million in federal funds and \$121.81 million in state funds.

Segment 2: \$55.60 million in federal funds.

Segment 3: \$54.63 million in federal funds and \$9.39 million in state funds.

Additionally, \$6.00 million in state funds have been approved for landscape planting across all three segments.

Risks:

Overall time, scope, and costs risks are medium with this project due to potential ROW impacts.

Related Projects:

Project C (Avenida Pico to San Juan Creek Road) and Project D (El Toro Road Interchange).

C. I-5 (SR-73 to El Toro Road includes Avery & La Paz Interchanges)

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Niguel, and Mission Viejo, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

C. I-5 (Avenida Pico to San Juan Creek Road includes Pico Interchange)

Description:

Project C extended the HOV lanes on I-5 from Avenida Pico to San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano. Major interchange improvements were also included at Avenida Pico, as part of Project D. This project was generally constructed within the existing ROW and was divided into three segments as described below.

Segment 1:

This project from Avenida Pico to Avenida Vista Hermosa added new continuous-access HOV lanes in each direction between Avenida Vista Hermosa Overcrossing and Avenida Pico Undercrossing. The Avenida Pico Interchange was reconstructed to optimize traffic movements within the interchange and provided bicycle lanes in both directions of Avenida Pico.

Segment 2:

This project from Avenida Vista Hermosa to Pacific Coast Highway (PCH) added new continuous-access HOV lanes in each direction between Avenida Vista Hermosa Overcrossing and PCH Undercrossing. The project also reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella, and re-established existing auxiliary lanes. Avenida Vaquero Undercrossing was widened in both directions to accommodate the new HOV lanes.

Segment 3:

This project from PCH to San Juan Creek Road added new continuous-access HOV lanes in each direction between Camino Estrella Overcrossing and San Juan Creek Road Undercrossing. On- and off-ramps at Camino Las Ramblas/ PCH were reconstructed. Additionally, the I-5/PCH northbound connector and



C. I-5 (Avenida Pico to San Juan Creek Road includes Pico Interchange)

I-5/Camino Las Ramblas Undercrossing were widened in both directions.

Cost:

Segment 1: \$83.56 million.

Segment 2: \$75.24 million.

Segment 3: \$74.25 million.

Status:

All segments of Project C opened to traffic at the same time in early 2018. Segment 1 was completed in August 2018, Segment 2 in July 2017 and Segment 3 in July 2018.

Present Day:

This section of I-5 has high levels of traffic during the weekdays and weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 250,000 vehicles per day and is expected to increase by nearly six percent by 2035, bringing it up to 266,000 vehicles per day.

Benefits:

This project eliminated a southbound lane drop at PCH by extending the southbound HOV lane between Camino Capistrano and Avenida Pico, and the northbound HOV lane between Avenida Pico and PCH. Elimination of the lane drop enabled more efficient operation of general purpose lanes and serves projected traffic volumes for the year 2040.

External Funding:

The Board approved funding that supported these projects including:

Segment 1: \$28.47 in federal funds and \$43.74 million in state funds.

Segment 2: \$12.07 million in federal funds and \$46.78 million in state funds.

Segment 3: \$11.33 million in federal funds and \$20.79 million in state funds.

Risks:

No risk to project delivery as the project is complete. Final claims remain pending in Segment 3, however, cost risk is low.

Related Projects:

Project D.

Other Involved Agencies:

Caltrans, cities of Dana Point, San Clemente, and San Juan Capistrano, CTC and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

D. I-5 (El Toro Road Interchange) Improvements

Description:

Proposed Project D improvements at I-5/El Toro Road Interchange include modifying entrance and exit ramps and modifying or replacing existing bridge structures.

Cost:

\$120.52 million (YOE) is currently included in the cash flow however, once the selected project alternative is determined this will need to be updated.

Status:

The environmental phase for this project began in April 2017. The Next 10 Plan includes funding this project through environmental. An alternatives assessment is being conducted with environmental clearance anticipated in late 2021 pending stakeholder consensus.

Present Day:

This portion of I-5 has high levels of traffic during the weekdays and

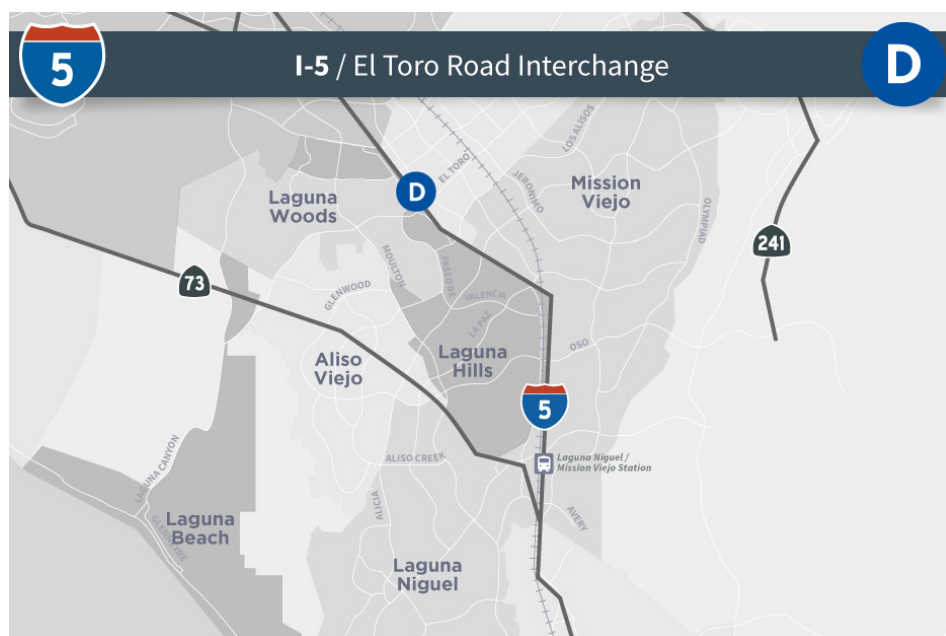
weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 355,000 vehicles per day and is expected to increase nearly nine percent by 2035, bringing it up to 388,000 vehicles per day.

Benefits:

This project would reduce the chokepoint and better accommodate forecasted traffic demands. Modification of the entrance and exit ramps would alleviate congestion at adjacent intersections.

External Funding:

The Board has approved \$4.40 million in federal funds for the environmental phase. Future phases are also eligible for state and federal funds. Any additional funding is expected to be submitted for Board approval at a later time.



D. I-5 (El Toro Road Interchange) Improvements

Risks:

Overall time, scope, and cost risks are high with this project due to the challenging project area with significant ROW impacts with study alternatives under consideration. Community concerns has resulted in a lack of consensus between the three stakeholder local jurisdictions. This project will need local jurisdiction consensus, before moving forward.

Related Projects:

Project C.

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Woods, and Lake Forest, and FHWA.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

D. I-5 (Ortega Highway Interchange) Improvements

Description:

Project D improvements include reconstruction of the I-5 interchange at State Route 74 (SR-74) in south Orange County, as well as widening SR-74, modifying entrance and exit ramps, and replacing the existing bridge structure.

Cost:

\$79.80 million.

Status:

The project opened to traffic on September 4, 2015 and was officially completed on January 15, 2016.

Present Day:

Prior to completion of the project, the existing freeway overcrossing and on- and off-ramps did not accommodate existing and projected to-and-from street/freeway traffic.

Benefits:

This project alleviated a major chokepoint and reduced congestion by widening the Ortega Highway Bridge and improving local traffic flow through reconfigured streets and on- and off-ramps.

External Funding:

\$752,000 in federal funds, \$73.48 million in state funds, \$2.50 million in M1 funds from the regional interchange program, and \$5.01 million in other local funds were used for the project.

Risks:

None – project completed.

Related Projects:

Project C.



D. I-5 (Ortega Highway Interchange) Improvements

Other Involved Agencies:

Caltrans, City of San Juan Capistrano, and CTC.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- January 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (January 2020)

E. SR-22 Access Improvements

Description:

Project E constructed interchange improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard to reduce freeway and street congestion near these interchanges.

Cost:

\$25.8 million.

Status:

These projects were part of the State Route 22 (SR-22) widening project completed in 2008 using M1 funds.

Present Day:

The project widened the streets at the interchanges and were designed to improve accommodation of existing and projected traffic.

Benefits:

The project reconstructed the freeway overcrossings to allow these streets to be widened through the interchange area. These improvements reduced congestion and delay at all three interchanges.

External Funding:

\$15.9 million of M1 funds and \$9.9 million of other non-M2 (federal, state and city) funds were used for the project.

Risks:

None – project completed.

Related Projects:

West County Connector improvements at SR-22/I-405 and I-405/I-605 interchanges.

Other Involved Agencies:

Caltrans and City of Garden Grove.

Assumptions:

Completed as part of the M1 SR-22 Design/Build project.

References:

- OCTA 2014 Long Range Transportation Plan



F. SR-55 (I-405 to SR-91)

Description:

Project F will increase freeway capacity and reduce congestion by adding lanes and operational improvements to SR-55 between I-405 and SR-91. This project is divided into two segments as described below.

Segment 1:

This project will add one general purpose lane (approximately four miles) between I-405 and I-5, including merging lanes between interchanges to smooth traffic flow. This segment will generally be constructed within the existing ROW. The general purpose lane will be funded with M2, state, and federal funds. Concurrent with these efforts, a second HOV lane will also be constructed between I-5 and I-405 with state and local funds.

Segment 2:

This project will add new lanes between I-5 and SR-22, including merging lanes between interchanges to smooth traffic flow. Operational improvements between SR-22 and SR-91 would also be incorporated. The environmental phase of this segment was completed in March 2020 and is ready to advance into design and construction. This segment will generally be constructed within the existing ROW.

Cost:

Segment 1: \$503.22 million (YOE) which includes cost for potential ROW risk.

Segment 2: \$131.31 million (YOE).



F. SR-55 (I-405 to SR-91)

Status:

Segment 1 is currently in the design phase and is anticipated to begin construction in early 2022. Segment 2 began the environmental phase in late 2016 and completed in March 2020.

Present Day:

This freeway carries about 316,000 vehicles on a daily basis. This volume is expected to increase by nearly eight percent by 2035, bringing it up to 340,000 vehicles per day in the future.

Benefits:

This project will increase freeway capacity, improving mobility and reducing congestion in central Orange County areas by adding new lanes and making operational improvements for existing and forecasted traffic volumes (especially for weaving and lane efficiency at ramp junctions).

External Funding:

Segment 1: The Board has approved providing \$202.4 million in federal funds and \$80.00 million in state funds. As previously mentioned, Caltrans has also committed \$42.70 million in State Highway Operation and Protection Program funds for this project. In addition, in December 2020, the project was awarded \$140.00 million in SB 1 funding.

Segment 2: The Board has approved providing \$5.00 million in federal funds for this project to support the environmental phase. This project is eligible for future state and federal funds.

Risks:

Schedule, scope, and cost risks remain high on Segment 1 due to complex ROW impacts which rely on design variations. This may also delay receipt of the State's share of funding.

Overall schedule, scope, cost risks are low on Segment 2 at this time.

Related Projects:

Projects A and B.

Other Involved Agencies:

Caltrans, cities of Orange and Santa Ana, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

G. SR-57 Improvements

Description:

Project G will increase capacity and reduce congestion by adding one general purpose lane in the northbound direction from Orangewood Avenue in the City of Orange to approximately Tonner Canyon Road in the City of Brea. Select northbound undercrossings will also be widening and seismically retrofitted, as required. The project is divided into three segments as described below.

Segment 1:

This project consists of three northbound sections including Katella Avenue to Lincoln Avenue, Orangethorpe to Yorba Linda Avenue, and Yorba Linda Boulevard to Lambert Road in the cities of Anaheim, Brea, Fullerton, and Placentia. Projects in this segment are complete.

Segment 2:

This project includes the addition of a northbound truck-climbing lane from

Lambert Road in the City of Brea to one-half mile south of the Los Angeles County line (approximately Tonner Canyon Road).

Segment 3:

This project includes adding one northbound general purpose lane from approximately Orangewood Avenue in the City of Orange to Katella Avenue in the City of Anaheim. Segment improvements would maintain the existing auxiliary lane and address existing non-standard features between Orangewood Avenue and Katella Avenue.

Cost:

Segment 1: \$144.36 million.

Segment 2: \$212.30 million (YOE).

Segment 3: \$71.84 million (YOE).



G. SR-57 Improvements

Status:

Segment 1 was completed and opened to traffic in 2014. Segment 2 is planned to be environmentally cleared during the Next 10 Plan timeframe. Segment 3 completed the environmental phase in March 2019 and is anticipated to begin the design phase in early 2022.

Present Day:

This freeway carries about 302,000 vehicles on a daily basis. This volume is expected to increase by nearly 13 percent by 2035, bringing it up to 342,000 vehicles per day in the future.

Benefits:

This project will substantially improve existing and future mobility, reduce congestion, improve mainline weaving, and merge/diverge movements, which will improve both traffic operations and safety. Combined improvements from Orangethorpe Avenue to Tonner Canyon Road could achieve a 40 percent reduction in total delay through the SR-57 northbound corridor.

External Funding:

Segment 1: \$104.85 million in state funds were used for the project.

Segment 2: Funding for this project was removed as part of the 2020 State Transportation Improvement Program (STIP), and a funding plan will be developed at a later date.

Segment 3: The Board has approved \$5.74 million in federal funds to support the environmental phase of this project.

Segments 2 and 3 are eligible for future state and federal funds.

Risks:

Overall time, scope, costs, and quality risks are low to medium with this project due to construction within the existing ROW and relatively straightforward design issues. However, risks exist due to the potential need for seismic retrofitting of existing bridges.

Related Projects:

Project H.

Other Involved Agencies:

Caltrans, cities of Anaheim, Brea, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

H. SR-91 (I-5 to SR-57)

Description:

Project H widened westbound SR-91 by connecting existing auxiliary lanes through interchanges, thus forming a fourth continuous general purpose lane between I-5 and SR-57. The project also replaced existing auxiliary lanes on westbound SR-91 between State College Boulevard and Raymond Avenue, and between Euclid Street and Brookhurst Street, and added a new auxiliary lane between Raymond Avenue and Lemon Street.

Cost:

The cost for this project was \$59.23 million.

Status:

The project opened to traffic in March 2016 and was officially completed in June 2016.

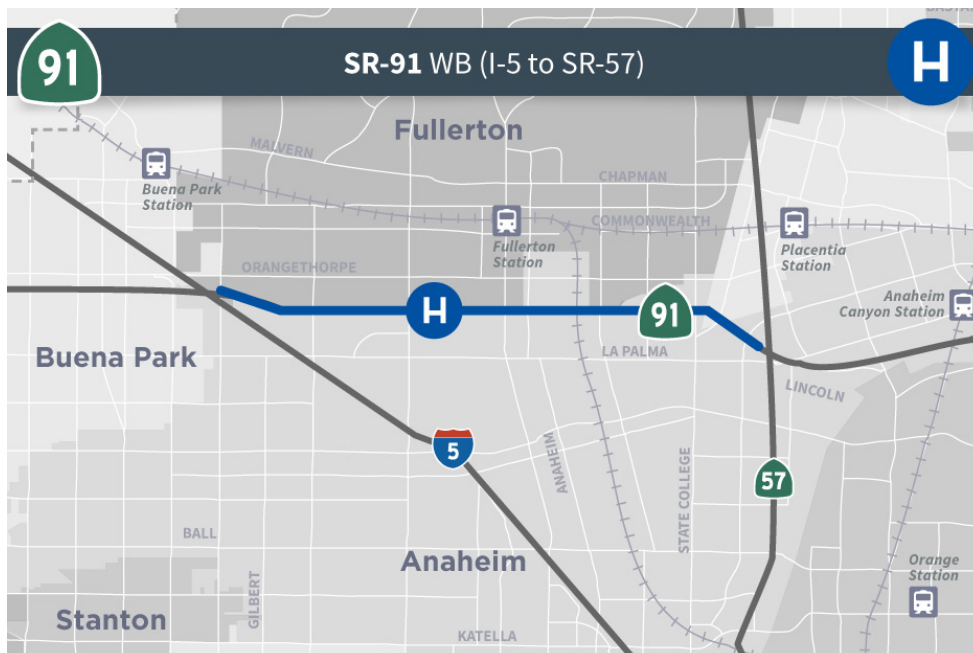
Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties.

SR-91 is also one of the most congested freeways in Southern California. This freeway carries about 290,000 vehicles on a daily basis. This volume is expected to increase by nearly five percent by 2035, bringing it up to 304,000 vehicles per day in the future.

Benefits:

This project alleviated congestion and increased mainline capacity by adding a continuous general purpose lane and replaced existing auxiliary lanes, which improved merging operations at each interchange.



H. SR-91 (I-5 to SR-57)

External Funding:

\$27.23 million in state funds were used for the project.

Risks:

None – project completed.

Related Projects:

Project I.

Other Involved Agencies:

Caltrans, cities of Anaheim and Fullerton, and CTC.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

I. SR-91 (Tustin Avenue Interchange to SR-55)

Description:

Project I from Tustin Avenue Interchange to SR-55 added a westbound auxiliary lane, beginning at the northbound SR-55 to westbound SR-91 connector, through the Tustin Avenue interchange. The overall segment length was approximately two miles. Additional features of this project included widening the westbound Santa Ana River Bridge to accommodate the auxiliary lane.

Cost:

The cost for this project was \$42.47 million.

Status:

The project was completed and opened to traffic in 2016.

Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties.

SR-91 is also one of the most congested freeways in Southern California. This freeway carries about 290,000 vehicles on a daily basis. This volume is expected to increase by nearly five percent by 2035, bringing it up to 304,000 vehicles per day in the future.

Benefits:

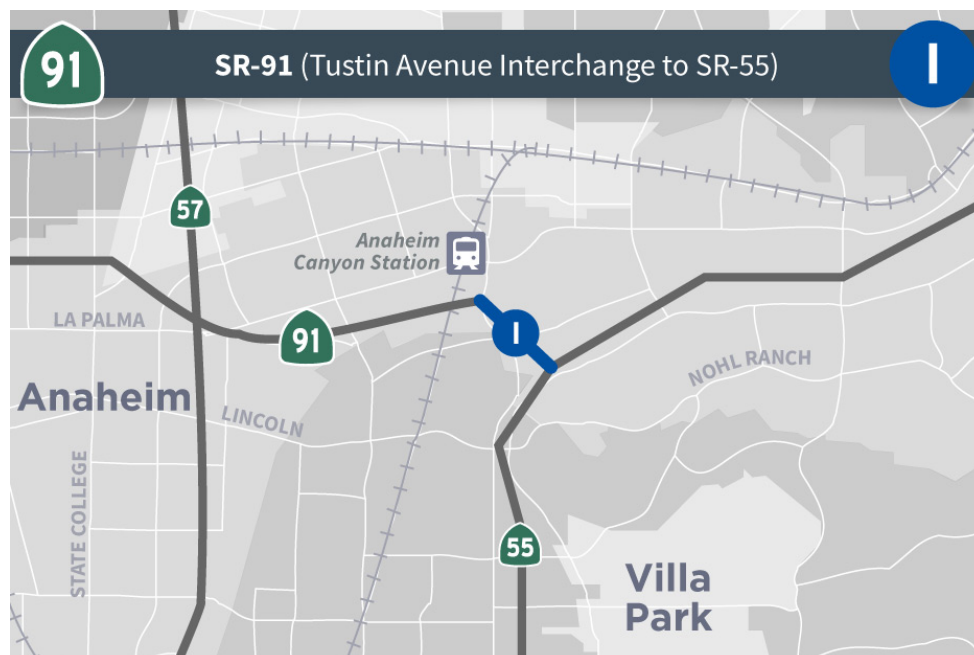
This project addressed chokepoint conditions and reduced operational problems, including weaving and merging maneuvers, which were primarily caused by extensive weaving between the northbound SR-55 to westbound SR-91 connector and the westbound SR-91 off-ramp to Tustin Avenue.

External Funding:

\$29.75 million in state funds were used for the project.

Risks:

None – project completed.



I. SR-91 (Tustin Avenue Interchange to SR-55)

Related Projects:

Projects H, I (SR-57 to SR-55) and J.

Other Involved Agencies:

Caltrans, City of Anaheim, CTC, and FHWA.

Assumptions:

Costs based December 2020 M2
Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- January 2019 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2019)

I. SR-91 (SR-57 to SR-55)

Description:

Project I from approximately SR-57 to SR-55 will add one westbound general purpose lane from northbound SR-57 connector to westbound SR-91 connector, and one eastbound general purpose lane between SR-57 and SR-55. The project is divided into three segments as described below.

Segment 1:

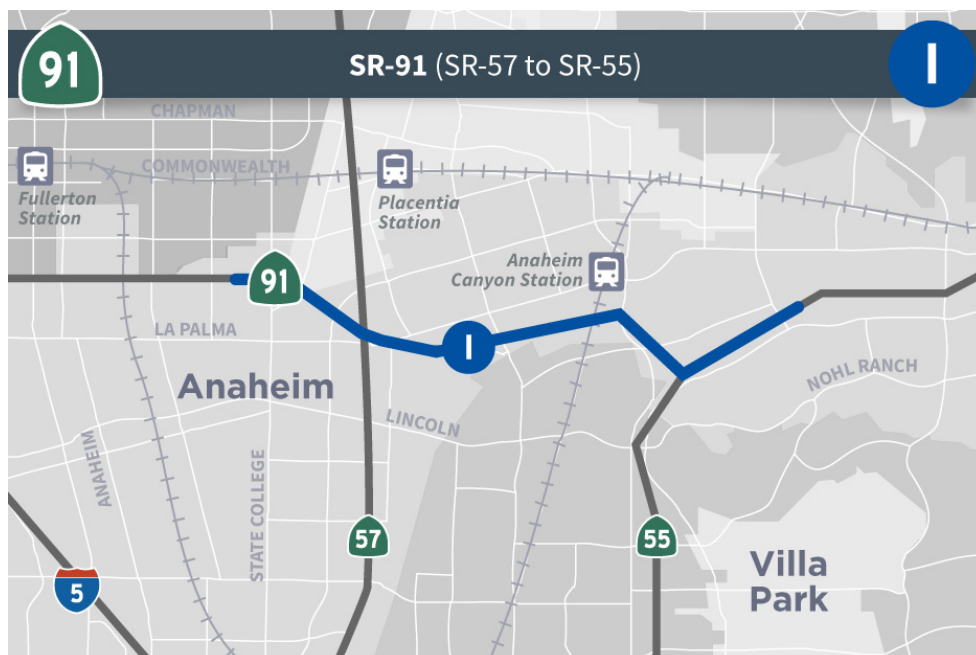
This project from SR-55 to Lakeview Avenue will realign the westbound on-ramp to direct traffic to westbound SR-91. This project will replace the Lakeview Avenue Bridge that will feature a new on-ramp from the Lakeview Avenue Bridge connecting directly to southbound SR-55 to increase freeway capacity and improve traffic operations in the Anaheim area.

Segment 2:

This project from La Palma Avenue to SR-55 will add an eastbound general purpose lane on SR-91 between La Palma Avenue and SR-55 (approximately 2.3 miles) and include bridge replacements at Glassell Street/Kraemer Boulevard and Tustin Avenue to increase freeway capacity and reduce congestion in the cities of Anaheim and Fullerton.

Segment 3:

This project from Acacia Street to La Palma Avenue will add a fourth general purpose lane on westbound SR-91 from the northbound SR-57 to westbound SR-91, make improvements to the weave from westbound SR-91 to northbound and southbound SR-57, and replace the bridge at La Palma Avenue to enhance westbound operations on SR-91, increase overall freeway capacity, and reduce congestion in the cities of Anaheim and Fullerton.



I. SR-91 (SR-57 to SR-55)

Cost:

Segment 1: \$100.91 million (YOE).

Segment 2: \$208.45 million (YOE).

Segment 3: \$116.20 million (YOE).

Status:

The environmental phase for all three segments was completed in June 2020.

Segment 1: The design phase was initiated in March 2020.

Segment 2: The design phase was initiated in June 2020.

Segment 3: The design phase was initiated in November 2020.

Present Day:

Current freeway volume on this segment of the SR-91 is about 250,000 vehicles per day. This vehicular demand is expected to increase by 12 percent by 2035, bringing it up to 280,000 vehicles per day in the future.

Benefits:

Segment 1 improvements are expected to alleviate congestion and reduce delay by improving the connection from Lakeview Avenue to southbound SR-55.

Segment 2 improvements will increase freeway capacity in the eastbound direction and reduce traffic congestion.

Segment 3 improvements will enhance westbound operations and increase freeway capacity.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$1.77 million in federal funds and \$13.98 million in 91 Express Lanes excess revenue.

Segment 2: \$3.46 million in federal funds and \$42.81 million in 91 Express Lanes excess revenue.

Segment 3: \$1.77 million in federal funds and \$14.40 million in 91 Express Lanes excess revenue.

Risks:

Overall time, scope and costs risks are high. High risk is the result of refined design options that require Caltrans concurrence, which remain under review.

Related Projects:

Projects H, I (Tustin Avenue Interchange to SR-55), and J.

Other Involved Agencies:

Caltrans, cities of Anaheim, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

J. SR-91 (SR-55 to I-15)

Description:

Project J includes the addition of capacity on SR-91 from SR-55 to I-15 in Riverside County and is divided into three segments.

Segment 1:

This project improved six-miles of SR-91 by adding one eastbound lane from one-mile east of SR-241 to State Route 71 (SR-71) in Riverside County. This project was led by RCTC in coordination with Caltrans District 8.

Segment 2:

This project improved approximately six miles of SR-91 between SR-55 and SR-241 by adding one new lane in each direction and improved key interchanges. Additional improvements included the widening and seismic retrofitting for the Imperial Highway and Weir Canyon Road undercrossing bridges. This project was led by OCTA in coordination with Caltrans District 12.

Segment 3:

This project requires coordination and funding agreements with RCTC to

deliver complementary improvements between SR-241 and SR-71 in Riverside County. Improvements between SR-71 and I-15 are overseen by RCTC.

Cost:

Segment 1: \$57.77 million.

Segment 2: \$79.74 million.

Segment 3: \$300.00 million (YOE).

Status:

Segment 1 was completed in January 2011, and Segment 2 was completed in March 2013.

Segment 3 is contingent on the future widening in Riverside County to match the planned improvements in Orange County. The segment was environmentally reviewed as part of the RCTC's Corridor Improvement Project. RCTC and OCTA have agreed to advance the westbound direction of this segment by adding a general purpose lane (two miles in length) from



J. SR-91 (SR-55 to I-15)

Green River Road to SR-241. RCTC is the lead agency and OCTA contributed \$15 million towards the project. The eastbound improvements between SR-241 and SR-71 are more challenging due to engineering constraints. A feasibility study to evaluate potential improvements is anticipated to be completed in 2021.

Present Day:

Today, this freeway carries about 328,000 vehicles every day. This volume is expected to increase by 15 percent, bringing it up to 378,000 vehicles by 2035.

Benefits:

Segment 1 improvements added one general purpose lane, which improved weaving by reducing the volume of exiting vehicles in the SR-91 mainline through lanes that are exiting at Green River Road and SR-71.

Segment 2 improvements helped to alleviate congestion and reduce delay.

Segment 3 proposed improvements are expected to reduce congestion and delay and improve operational efficiency by increasing capacity and by reducing the existing chokepoints within the project limits.

External Funding:

Segment 1: \$45.91 million in federal funds and \$4.92 million in local funds were used for this project.

Segment 2: \$76.30 million in state funds were used for this project. An additional \$2.90 million in state funds were used for replacement planting.

Segment 3: \$15.00 million of 91 Express Lanes excess revenue is Board approved for the Orange County portion of this segment. RCTC will contribute \$26.80 million in funding for the project.

Risks:

No risks for Segments 1 and 2 as they are complete.

For Segment 3, time, scope, and costs risks are dependent upon required coordination with RCTC. Eastbound improvements have many engineering challenges due to project area topography (Santa Ana Canyon) and natural constraints (Santa Ana River).

Related Projects:

Project I and the Riverside County Corridor Improvement Project.

Other Involved Agencies:

Caltrans, cities of Anaheim and Yorba Linda, County of Orange, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2012 Project Status Report (Segment 1)
- June 2018 Project Status Report (Segment 2)
- December 2020 Project Status Report (Segment 3)
- Capital Funding Program Report – State Highway Project (February 2021)

K. I-405 (SR-73 to I-605)

Description:

Project K includes the addition of new lanes to I-405 between SR-73 and I-605. The project will make the best use of available freeway property by staying generally within the freeway ROW and updating key local interchanges to current Master Plan of Arterial Highway (MPAH) standards. The project will add one general purpose lane in each direction of I-405 from Euclid Street to I-605.

Concurrently with Project K, an additional lane will be added in each direction that would combine with the existing HOV lane to provide dual express lanes in each direction on I-405 from SR-73 to I-605. The general purpose lanes will be funded with M2, state, and federal funds; the express lanes will be funded solely with toll revenues.

Cost:

M2 Portion: \$1.560 billion (YOE).

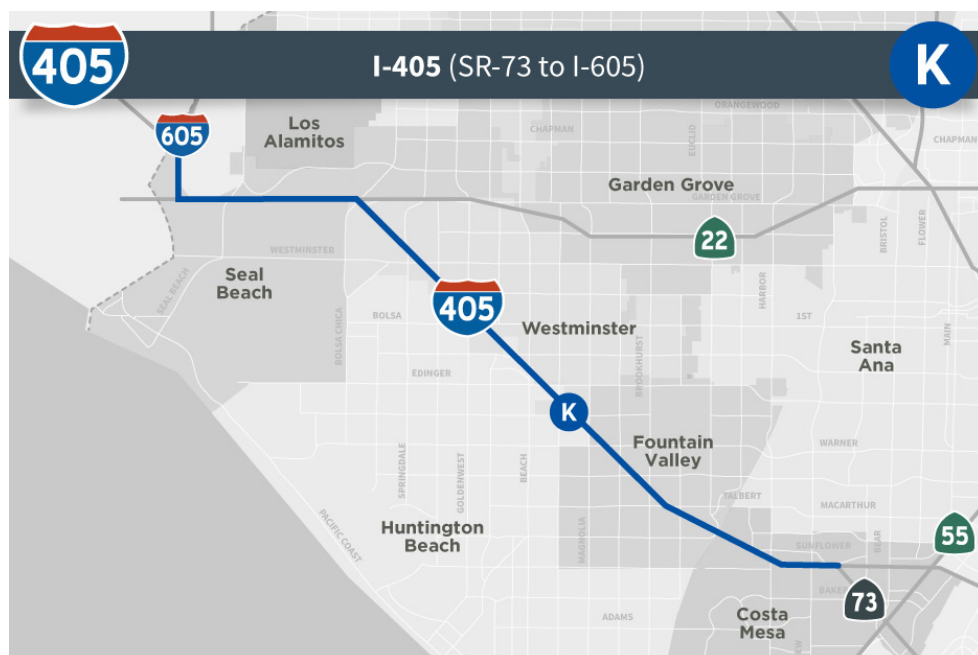
Express Lanes Portion: \$520 million (YOE).

Status:

Project K is currently about halfway through the design/build contract phase. Design/build is a project delivery method in which one team is hired to perform both the design and construction of the project. The project is expected to be open to traffic in 2024.

Present Day:

On average, I-405 carries approximately 392,000 vehicles daily. The volume is expected to increase by 20 percent by 2035, bringing it up to 472,000 vehicles daily. The project will increase freeway capacity, reduce congestion, enhance operations, increase mobility, improve trip reliability, and maximize throughput on I-405.



K. I-405 (SR-73 to I-605)

Benefits:

Project K includes the addition of auxiliary and general purpose lanes. These improvements would help reduce congestion and improve travel times. Additional improvements include interchange and local street improvements, and a direct Express Lanes connector at the I-405/SR-73 Interchange.

The express lanes will operate congestion-free throughout the day, due to toll rates that vary based on traffic demand. The express lanes provide commuters with a reliable travel option compared to the adjacent, general purpose lanes.

M2 improvements, in combination with express lanes improvements, will provide more throughput in the corridor. These improvements will add two additional freeway lanes to I-405 in both directions between Euclid Street to the I-605 interchange.

External Funding:

The Board has approved funding supporting this project, including \$89.77 million in a contribution of state funds, and \$45.65 million in federal funds. The project also successfully secured \$628.93 million from Transportation Infrastructure Finance and Innovation Act (TIFIA), a low-cost federal loan. The M2 cash flow will benefit from \$153.93 million in TIFIA revenues for this project. The entire TIFIA loan will be paid back solely with toll revenues.

Risks:

Overall time, scope, utility relocation, archeological discoveries and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project L and WCC improvements at SR-22/I-405 and I-405/I-605 interchanges (mentioned under Project E).

Other Involved Agencies:

Caltrans, Build America Bureau TIFIA Office, cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, Community of Rossmore, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow. M2 will only pay for the addition of the general purpose lanes. Toll revenues will pay for the 405 Express Lanes.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

L. I-405 (I-5 to SR-55)

Description:

Project L will add new lanes to I-405 from the vicinity of I-5 to SR-55 to alleviate congestion and reduce delay. The project will generally be constructed within the existing ROW.

Cost:

\$262.39 million (YOE).

Status:

The project completed the environmental phase in August 2018 and is shelf-ready to begin the design phase.

Project B (I-5, I-405 to SR-55) is a parallel project designated for construction. As a result, this project will follow to avoid excessive inconvenience to the traveling public.

Present Day:

This segment of the freeway carries 296,000 vehicles a day. This number will increase by nearly 22 percent, bringing it up to 362,000 vehicles per day by 2035.

Benefits:

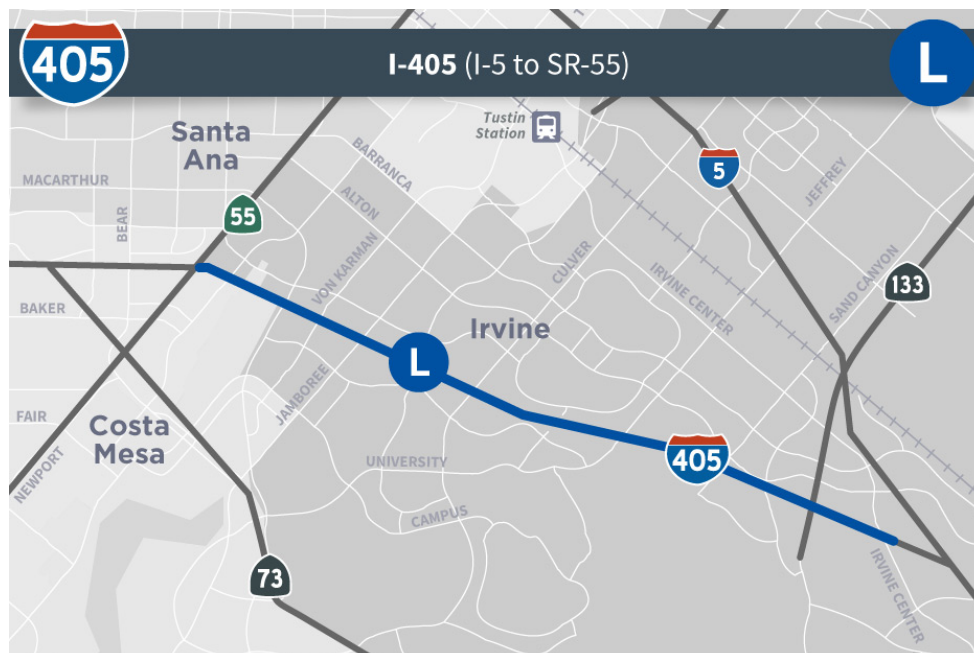
Improvements between I-5 and SR-55 would help alleviate congestion and reduce delay.

External Funding:

The Board approved providing \$8.00 million in federal funds to support the environmental phase of the project. This project is eligible for future state and federal funds.

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.



L. I-405 (I-5 to SR-55)

Related Projects:

Projects B and K.

Other Involved Agencies:

Caltrans, City of Irvine, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

M. I-605 (Katella Avenue Interchange) Improvements

Description:

Project M includes improvements to I-605 freeway access and the arterial connection at Katella Avenue, which serves communities in the cities of Cypress and Los Alamitos.

Cost:

The cost for this project is estimated to be \$29.02 million (YOE).

Status:

The environmental phase for this project was completed in late 2018 and was done in cooperation with the City of Los Alamitos. A design consultant was approved by the Board on August 10, 2020 and the contract was executed on December 28, 2020. Design is anticipated to begin in January 2021.

Present Day:

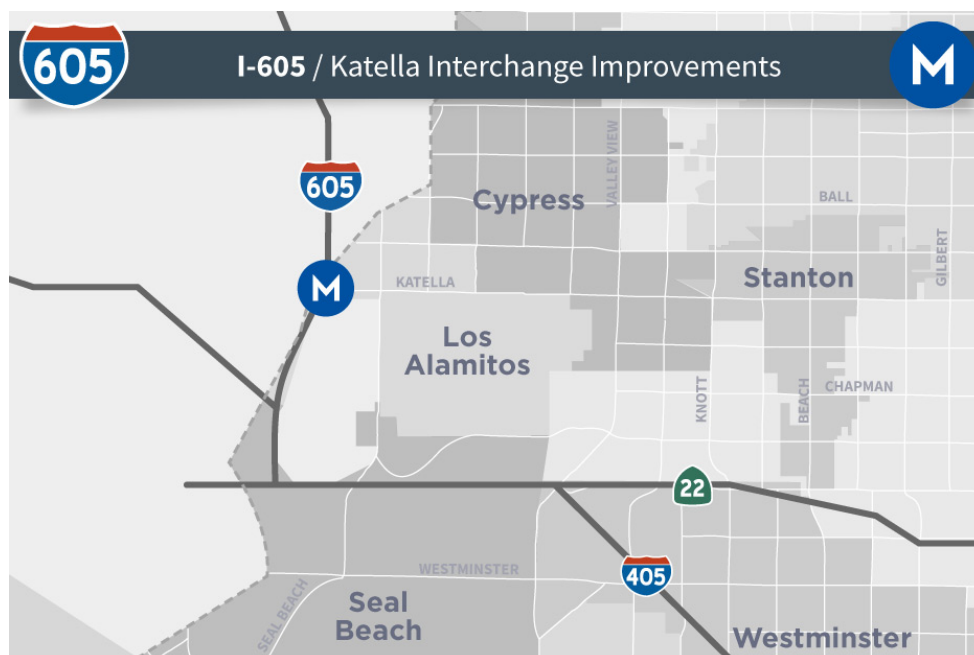
The existing interchange design is outdated and results in both arterial congestion and freeway queuing in the interchange area.

Benefits:

The I-605/Katella Avenue interchange project would include both freeway and arterial improvements that would improve interchange traffic operations and improve bicycle and pedestrian facilities while minimizing adjacent ROW and environmental impacts. Additionally, these improvements would reduce congestion, traffic queuing, and delay within the interchange area.

External Funding:

The construction phase of this project is eligible for future state and federal funds.



M. I-605 (Katella Avenue Interchange) Improvements

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.

Related Projects:

Project K and I-405/I-605/SR-22 HOV connector project (West County Connector).

Other Involved Agencies:

Caltrans and City of Los Alamitos.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

N. Freeway Service Patrol

Description:

The FSP provides competitively-bid, privately contracted tow truck service to help stranded motorists quickly clear disabled vehicles and large debris from freeway lanes to minimize congestion caused by blocked traffic lanes and passing motorists rubbernecking. Currently FSP is available on various Orange County freeways, seven days a week. This project assures that this basic level of service will be continued through 2041.

Program Funding:

\$42.2 million in M2 revenue between 2021 and 2030.

Status:

FSP is primarily funded by State Highway Account (SHA) and Road Repair and Accountability Act of 2017 (SB 1) funds. OCTA meets matching fund requirements by utilizing a portion of its share of Service Authority for Freeway Emergencies (SAFE) funds, which are collected by the Department of Motor Vehicles each year.

As demand, congestion levels, and costs increase, this project will permit the program to maintain existing service hours and allow service to be extended throughout the day and on weekends on additional freeway segments.

M2 also helps support California Highway Patrol as the partner responsible for field supervision. Currently, M2 funds a full-time dispatcher to ensure dispatcher coverage seven days a week.

Present Day:

In FY 2019-20, the FSP program provided a total of 56,374 assists to motorists on the Orange County Freeway system.

Benefits:

To keep Orange County moving, FSP provides free limited roadside assistance to motorists whose vehicles have become disabled on an Orange County freeway. Assistance is limited to taping a hose, providing water for a radiator, a jump start, a gallon of gas, a tire change, or towing a disabled vehicle off the freeway to a designated drop zone where the motorist may seek additional assistance.

In FY 2018-19, for every dollar invested in the program, Orange County received approximately \$6 of congestion relief benefit.

External Funding:

SHA allocation provided by Caltrans – approximately \$2.2 million annually.

SB 1 allocation provided by Caltrans – approximately \$2 million annually.

SAFE (\$1 per vehicle registration fee) funds not allocated to the Freeway Call Box and 511 Motorist Assistance and Traveler Information programs are available for FSP program use, to meet local match fund requirements – approximately \$1.2 million annually.

Risks:

Should the State of California stop funding FSP through the SHA and SB 1, M2 will not be sufficient to maintain existing service levels.

N. Freeway Service Patrol

Related Projects:

M2 Project N funds are designated to maintain existing service levels, provide midday and weekend service, and support FSP service for construction of Projects A-M.

Other Involved Agencies:

Caltrans and California Highway Patrol.

Assumptions:

Project N is assumed to be funded on a pay-as-you-go basis. Funding provided through the SHA and SB 1 are allocated first, and then M2 funding is applied as needed.

References:

- M2 Project N Guidelines Freeway Service Patrol Project, Approved on February 13, 2012

Environmental Mitigation Program



Overview:

The EMP provides for allocation of five percent of the total M2 freeway budget for comprehensive environmental mitigation related to impacts from freeway improvements. The EMP was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

A master agreement between OCTA, Caltrans, and state and federal resource agencies was approved in January 2010. This offers higher-value environmental benefits such as habitat protection, connectivity, and resource preservation in exchange for streamlined project approvals for the 13 (segmented into 30) M2 freeway projects.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for the Mitigation Program as it relates to Projects A-M:

- Streamline freeway projects through the biological permitting process.
- Provide comprehensive environmental mitigation.
- Partner with state and federal resource and regulatory agencies.
- Provide higher-value environmental benefits such as habitat protection, connectivity, and resource preservation.

Next 10 Deliverables:

In 2009, the Board approved a policy to allocate approximately 80 percent of the revenues to acquisitions and 20 percent to fund restoration projects. This policy will need to be revisited periodically to ensure it continues to meet program needs. The Next 10 Plan recommends four major initiatives through 2030 consistent with the above framework:

1. Oversee and manage the Preserves while the endowment is being established and determine long term land manager(s) and endowment holder(s).
2. Focus EMP resources funding as a first priority toward the establishment of the endowment for the Preserves.
3. Review and update the resource management plans (RMP) on the Preserves as appropriate (projects A-M). This includes the development of fire management plans (FMP) for each of the Preserves.
4. Complete approximately 350 acres of restoration projects funded through M2 to fulfill the Conservation Plan commitments. This includes working with the restoration project sponsors to remediate damages caused by the 2020 Silverado and Bond fires.

Environmental Mitigation Program

Description:

In July 2010, OCTA began preparing a Conservation Plan, which examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This analysis was completed in late 2016; in accordance with the master agreement “advance credit” provision, funds were allocated prior to completion of the Conservation Plan. In June 2017, the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW) (collectively, Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies.

Concurrent with efforts made toward completing the Conservation Plan and EIR/Environmental Impact Statement (EIS), OCTA collaborated with the United States Army Corps of Engineers (USACE) and the State Water Resources Control Board (SWRCB) - regulatory agencies - to streamline the regulatory permitting process. In 2017, the USACE issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The SWRCB provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance.

RMPs for each of the seven Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The Conservation Plan also requires that each Preserve also have a Preserve specific FMP. These FMPs are being developed in coordination with local fire agencies and will require approval from the Wildlife Agencies. The FMPs will be attachments to the RMPs. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

Cost:

In 2007, the Board approved approximately \$55 million as part of the EAP. Accordingly, \$42 million and \$10.5 million were allocated for acquisition and restoration, respectively. An additional \$2.5 million was allocated for the Conservation Plan development and program support, including appraisals and biological surveys.

Status:

Since September 2010, a total of \$10 million has been allocated for 12 projects to restore approximately 350 acres of open space lands throughout Orange County.

On September 26, 2016, the Board approved the selection of the endowment fund manager. Annually, approximately \$2.9 million is deposited in the endowment. These annual deposits are expected over a ten to 12 year period, or until the fund totals approximately \$46.2 million. In July 2020, OCTA made its fifth

Environmental Mitigation Program

endowment deposit. As of December 31, 2020, the balance was \$17,664,006. Annual endowment deposits will continue to be made near the beginning of each fiscal year.

The Wildlife Agencies finalized the issuance of their respective permits, as well as executing the Implementing Agreement in June 2017. In January 2018, OCTA secured advance streamlined state and federal clean water permitting requirements.

All seven Preserves have finalized RMPs and are being managed and protected for an interim period by OCTA staff and consultants. These RMPs will be reevaluated every five years and revised as necessary. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

Present Day:

In consultation with the local fire authority, staff has begun the preparation of FMPs for the seven Preserves. The plans will provide guidelines for decision-making at all stages including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. These plans are a requirement of the Conservation Plan and will require approval by the Wildlife Agencies.

Benefits:

The completed Conservation Plan and regulatory permitting process are tools by which OCTA obtains biological and regulatory permits/assurances for the

13 (now subdivided into multiple segments) M2 freeway projects. This comprehensive process enables OCTA to streamline future M2 freeway improvement projects.

External Funding:

Examples of external funding available for this program include:

- USFWS contribution toward the acquisition of open space land in the Trabuco Canyon area.
- USFWS Habitat Conservation Planning Assistant Grant to help fund the completion of the Conservation Plan.
- Restoration project sponsors utilize external funds and resources to implement their projects.

Risks:

The success of the restoration projects will support OCTA's Conservation Plan and regulatory permitting processes. However, unforeseeable conditions such as the frequency of drought and wildfires have and may continue to impact plant reestablishment. Additional funding may be necessary to ensure successful implementation of the restoration projects if the Wildlife Agencies do not sign off on the project under current conditions.

OCTA will need to establish the endowment over a ten to 12-year period. OCTA currently holds the title and interim land management responsibility of the Preserves but will eventually need to secure a long-term land manager(s).

Environmental Mitigation Program

Related Projects:

Projects A-M.

Other Involved Agencies:

Caltrans, CDFW, the environmental community, SWRCB, USACE, and USFWS.

Assumptions:

This program is assumed to be funded primarily on a pay-as-you-go basis in the future, in addition to prior bonding issuances. More detailed assumptions are included in the appendices.

References:

- Final Conservation Plan and EIR/EIS
- Additional resources can be found online: www.octa.net/environmental

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DELIVERY PLAN

Streets & Roads Program

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Ⓞ Regional Capacity Program

- Competitive program with annual call for projects for roadway improvements (not mapped)
- OC Bridges Grade Separation Projects (see map above)

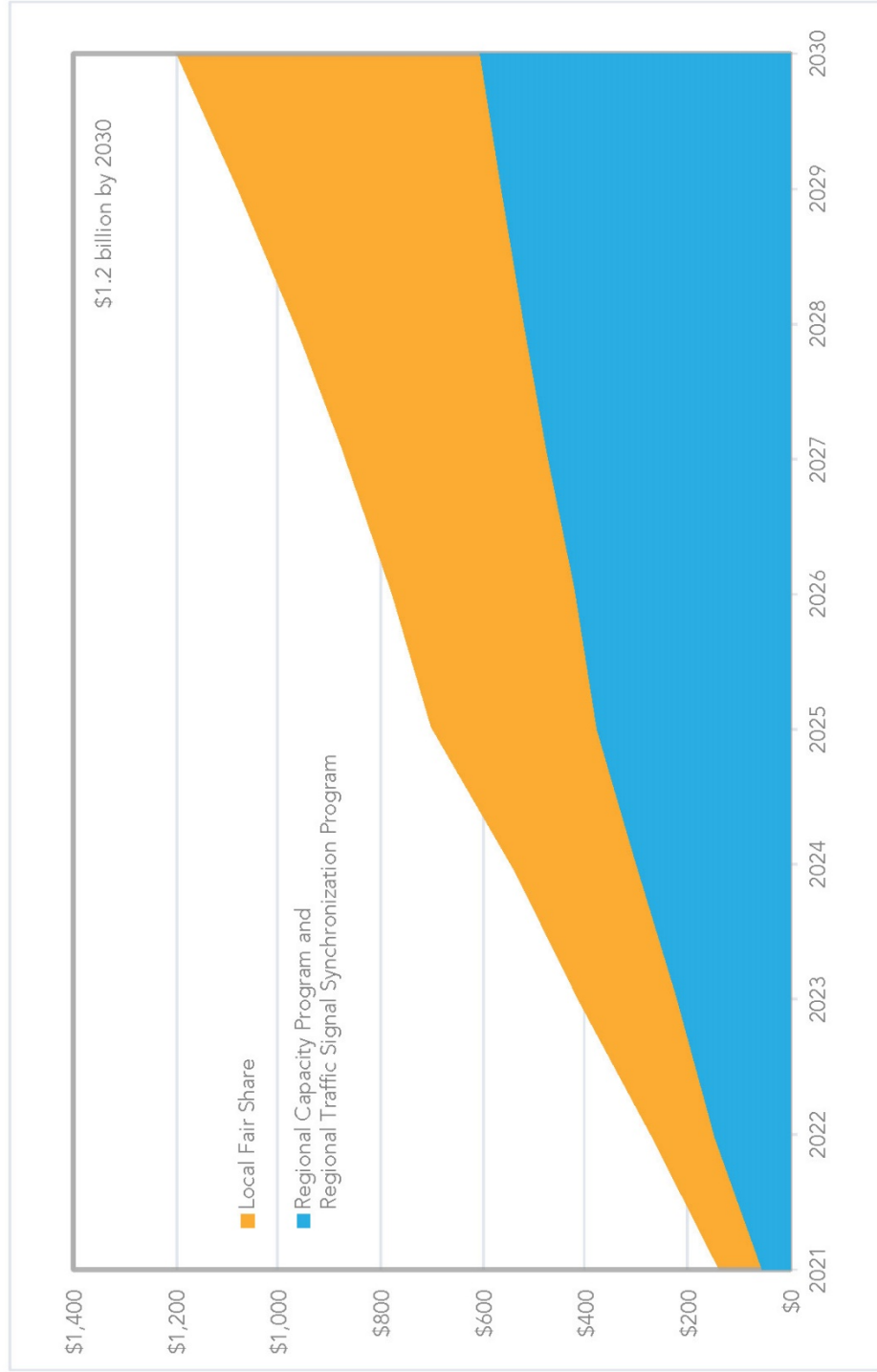
Ⓟ Regional Traffic Signal Synchronization Program (see map above)

- Competitive program with annual call for projects for signal coordination

Ⓠ Local Fair Share Program (not mapped)

- Flexible funding to local jurisdictions for street maintenance and improvements

OC Go Streets and Roads Cumulative Expenditures



Streets and Roads



Overview:

Local streets provide the capacity for the movement of people and goods which is essential to Orange County's commerce and vitality. Streets carry approximately half of Orange County's car and truck traffic and nearly all of Orange County's bicycle and pedestrian traffic. Keeping people moving on local streets is an essential function of the M2 funding programs for local streets. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Streets and Roads Program:

- Target M2 competitive program funds for streets with the worst traffic congestion.
- Maintain the value of investments in streets by synchronizing traffic signals and keeping pavement in good condition.
- Keep traffic moving on Orange County streets by completing key grade separations along the BNSF corridor in north Orange County.
- Consider all modes of travel when planning for added street capacity.

Next 10 Deliverables:

Continue to provide funding to improve the countywide network of streets and roads making them safer and more efficient. The Next 10 Plan for streets and roads recommends two major initiatives through 2030, consistent with the above framework:

1. Provide annual calls for competitive funding to local jurisdictions to address bottlenecks and gaps in the street system and synchronize signals (Project O and P).
2. Provide flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs as appropriate (Project Q).

O. Regional Capacity Program

Description:

Project O provides funding through a competitive process to local jurisdictions for recommended streets and roads projects which complete the Orange County MPAH, relieve congestion, are cost effective, and can proceed to construction quickly. These projects fall into one of two categories as described below.

RCP: This portion of Project O provides a funding source to complete the Orange County MPAH, a plan for future roadway improvements throughout Orange County, that includes considerations for bicycle and pedestrian components as part of each project as applicable to local conditions. This includes intersection improvements and other projects that help improve street operations and reduce congestion. The M2 goal for these projects is to complete roughly 1,000 miles of new street lanes, mostly in the form of widening existing streets to their ultimate planned width. Matching local funds are required for these projects.

OC Bridges: This portion of Project O funded seven over- or underpass grade separations that eliminate car and train conflicts along the BNSF Railway (Orangethorpe corridor) in northern Orange County. These grade separations increased safety for everyone traveling through the intersections and eliminate delays caused by trains.

Program Funding:

RCP: \$400 million between 2021 and 2030.

OC Bridges: The current program funding is \$214.08 million in federal funds and \$260.87 million in state funds.

Status:

To date, OCTA has awarded \$319 million to 155 projects through ten competitive RCP calls. Annual calls are planned for projects between 2021 and 2030.

As of May 2018, all seven planned grade separation projects are complete (Kraemer Boulevard, Lakeview Avenue, Orangethorpe Avenue, Placentia Avenue, Raymond Avenue, State College Boulevard, and Tustin Avenue/Rose Drive).

Present Day:

Annual RCP calls take place providing local jurisdictions the opportunity to request funding for street improvements.

Benefits:

Completion of the MPAH system, including grade separations will result in better traffic flow and a more efficient transportation system.

O. Regional Capacity Program

External Funding:

RCP: Local jurisdictions are required to provide a 50 percent local match. Matching funds may be reduced contingent on participation in pavement and signal programs, as well as use of non-M2 funds for local match. While other external state and federal funding are not typically used for RCP projects, there have been eight projects to date which qualified for and received SLPP state funds, amounting to approximately \$24 million.

OC Bridges: The Board approved the use of \$214.08 in federal funds and \$260.87 million in state funds for this project. Additionally, local jurisdictions provided \$43.33 million in funding. OC Bridges funding includes 78 percent in external local, state, and federal funds.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Local jurisdictions also must meet timely use of funds provisions included in M2.

Related Projects:

Project P and Project Q.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project O is assumed to be funded primarily on a pay-as-you-go basis with bonding for the seven OC Bridges projects. More detailed assumptions are included in the appendices.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Guidelines
- Orange County MPAH Guidelines
- Commuter Bikeways Strategic Plan
- Capital Funding Program Report – Local Road Project (July 2020)

P. Regional Traffic Signal Synchronization Program

Description:

Project P provides funds to local jurisdictions to implement new signal timing on a 750-mile regional network that covers most of Orange County. Optimizing traffic signal timing is a low-cost, high-benefit approach to reducing congestion and improving traffic flow. Better signal timing results in fewer traffic stops, delays, pollution, and saves commuters gas and money.

Program Funding:

\$219 million between 2021 and 2030.

Status:

As of December 2020, OCTA has awarded more than \$132.3 million, including approximately \$30.4 million in external funding, to 120 projects. Annual calls are planned for projects between 2021 and 2030.

Including early efforts, OCTA and local jurisdictions have synchronized more than 3,000 intersections and implemented 89 corridor-based signal synchronization projects since 2008 for a cost of approximately \$64.8 million (including non-M2 funds). Another 28 projects are planned or underway. From 2021-2030, the entire network of signals is anticipated to have been retimed or optimized at least two times. This equates to more than 4,000 intersections retimed over a ten-year period (2021 to 2030).

Present Day:

In the past, many traffic signal synchronization projects were limited to segments of roads in individual cities. M2 provides funds to expand these

projects to benefit neighboring cities and regional corridors.

Benefits:

Optimizing signal timing offers substantial benefits in reducing traffic delays and improving air quality. To date, OCTA has implemented optimized signal timing on 89 corridors with 3,003 intersections covering 772 miles of roadway. On the average, each project resulted in a 13 percent travel time savings for corridor end-to-end travel, saving commuters time and money for a relatively low investment. Future projects may see comparable benefits when combined with capital improvements to reduce physical bottlenecks where appropriate.

External Funding:

Local jurisdictions are required to provide a 20 percent local match. Matching funds may be in-kind services. There may be future needs for more capital-intensive investments as systems age.

Projects started prior to the 2011 call were funded with \$4.95 million in M1, \$1.77 million in federal Congestion Mitigation and Air Quality Improvement (CMAQ), and \$3.85 million in Prop 1B funds. The 2013 call was partially funded with \$1.25 million in MSRC grant money. The 2018 call was able to leverage \$6.69 million in SB 1 Local Partnership Program competitive grant funds. OCTA was also able to leverage \$12 million in SB 1 Solutions for Congested Corridor Program competitive grant funds for three corridor projects outside the 2020 call. In all, external funding (not including

P. Regional Traffic Signal Synchronization Program

funds provided by local jurisdictions) contributed is approximately \$30.4 million.

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to receive M2 funding.

Related Projects:

Project O (RCP) and Project Q.

Other Involved Agencies:

Caltrans and all local jurisdictions (cities and County of Orange).

Assumptions:

Project P is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (July 2020)

Q. Local Fair Share Program

Description:

Project Q provides formula based LFS funds that local jurisdictions may use for a variety of purposes and needs, including repairing aging streets, residential street projects, bicycle lanes, and pedestrian safety (plus other transportation uses).

Key among these needs includes pavement preservation, which involves extending the useful life of pavement and avoiding costly street reconstruction. Preserving and maintaining roads in good condition is a key goal of M2 and Project Q in particular.

Program Funding:

Up to \$600 million will be provided between 2021 and 2030.

Status:

As of December 2020, approximately \$475.6⁴ million in LFS payments have been provided to local jurisdictions and the County.

Orange County streets are in generally good condition on average (with a pavement condition index of 79 based on the 2018 statewide report). As roadway pavement conditions deteriorate, however, the cost for repairs increases exponentially. For example, it costs as much as 14 times more to reconstruct pavement than to preserve it when it is in good condition.

Present Day:

The cost of street rehabilitation has increased substantially in recent years, and gas tax revenues have not kept pace with these increases which has a direct impact on the ability to fund street maintenance and rehabilitation.

Benefits:

Investments in streets and roads save future costs, keep traffic moving, and offer expanded travel choices.

LFS funds are also flexible and can be used as matching funds for capacity and safety projects, bike and pedestrian facilities, as well as local transit services.

External Funding:

This program is not externally funded.

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to receive M2 funding.

Related Projects:

Project O (RCP) and Project P.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project Q is assumed to be funded on a pay-as-you-go basis.

⁴Includes disbursements to the cities of Santa Ana and Stanton that were previously suspended. On May 13, 2019, the Board determined that the cities were ineligible to receive M2 revenues. Funds were suspended until the

cities achieved compliance. On April 13, 2020, based on compliance audit results, the Board determined the cities eligible to receive net M2 revenues again.

Q. Local Fair Share Program

References:

- M2 Eligibility Guidelines
- 2018 California Statewide Local Streets and Roads Needs Assessment
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (July 2020)

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DELIVERY PLAN

Transit Programs

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updated 12.31.20

R High Frequency Metrolink Service

- Metrolink Grade Crossing Improvements
- Station Improvement Project
- Planned Metrolink Station
- Laguna Niguel-San Juan Capistrano Passing Siding Project
- Sand Canyon Grade Separation Project

S Transit Extensions to Metrolink

- OC Streetcar

T Metrolink Gateways

- Anaheim Regional Transportation Intermodal Center (ARTIC)

U Expand Mobility Choices for Seniors and Persons with Disabilities (countywide, not mapped)

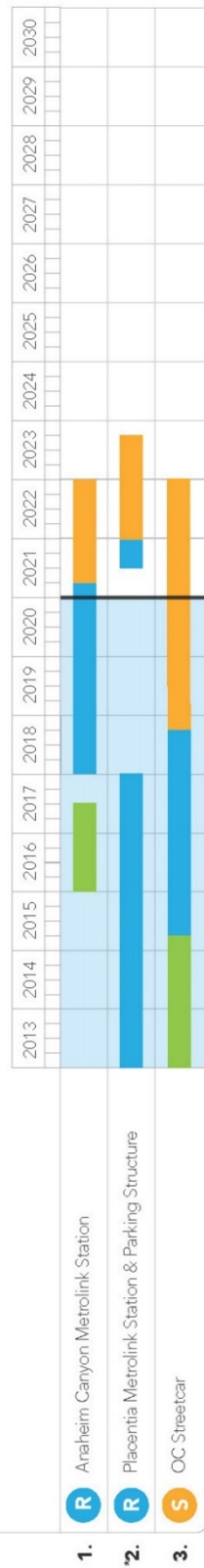
V Community Based Transit/Circulators (countywide, not mapped)

W Safe Transit Stops (countywide, not mapped)

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 DELIVERY PLAN

Environmental Design/Advertise & Award Construction

OC Go Transit Projects Through Construction



Please note that schedules are updated as of December 31, 2020. Shown schedules are subject to change.

* The Placentia Metrolink Station's ability to move into construction is subject to a track sharing agreement with Burlington Northern Santa Fe Railway.

Transit Program



Overview:

The goal of the Transit Program is to build a visionary transit system that is safe, clean, and convenient, with a focus on Orange County's transportation future. Providing mobility choices and connectivity for Orange County residents and workers are key components of the overall M2 Plan. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Transit Program:

- Ensure efficient and integrated Metrolink service for Orange County residents.
- Assess and deliver transit options providing riders first and last mile connections and alternatives to driving.
- Provide services and programs to meet the growing transportation needs of seniors and persons with disabilities.
- Support local agency efforts to deliver Board-approved community-based transit projects.
- Advance improvements to the busiest transit stops across the County to provide passenger amenities that ease transfers between bus lines.

Next 10 Plan Deliverables:

The Next 10 Plan for transit recommends seven major initiatives through 2030, consistent with the above framework.

1. Complete two rail station improvements.
2. Sustain existing Metrolink service as an attractive alternative to driving in Orange County.
3. Complete construction and begin operating the OC Streetcar.
4. Incorporate recommendations from planning studies to guide development of future transit connections.
5. Support expanded mobility choices for seniors and persons with disabilities.
6. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services.
7. Continue to improve the top 100 busiest bus stops in Orange County.

R. High Frequency Metrolink Service

Description:

Project R provides for sustained and expanded rail service into Los Angeles and Orange Counties along the three Metrolink lines serving Orange County (Orange County, Inland Empire-Orange County, and 91/Perris Valley Lines). Project R also provides for safety and operational improvements to the railroad infrastructure necessary to support existing and expanded train service, including grade crossing improvements, track improvements, signal and communications system improvements, as well as other projects as necessary to support the rail system. Grade separation projects will be considered as available funding permits.

Program Cost:

Approximately \$322 million between 2021 and 2030.

Status:

To date, rail safety enhancements at 50 at-grade rail-highway crossings have been completed. As a result, quiet zones have been established in the cities of Anaheim, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin.

Station improvements completed during the EAP include parking expansion projects at the Fullerton Transportation Center, Tustin Station, and Laguna Niguel/Mission Viejo Station, and safety repairs to the San Clemente Pier Station platform.

Since then, four station improvement projects have been completed: The San Clemente Pier Metrolink/ Amtrak Station lighting (March 2017), the Laguna

Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps (September 2017), the Orange Transportation Center Parking Structure (February 2019), and the Fullerton Transportation Center elevator upgrades project (May 2019).

Two major rail station improvements are anticipated to be completed during the Next 10 Plan: Anaheim Canyon Metrolink Station improvement project and the Placentia Metrolink Station. Other rail station improvements underway include the detectable tile replacements at various stations and the stair replacement project at the Fullerton Transportation Center. Plans for the Anaheim Canyon Metrolink Station and a new Metrolink station in the City of Placentia have been completed. The Anaheim Canyon Metrolink Station project is anticipated to start construction in mid-2021. The new Placentia Metrolink Station project is pending a shared-use agreement between Metrolink and BNSF prior to advertisement and construction. There is no projected date for when this agreement will be completed at this time.

Completed rail corridor improvements include Control Point Stadium, the San Clemente Beach Trail Audible Warning System, Laguna Niguel to San Juan Capistrano Passing Siding, and six Project Study Reports for potential grade separations along the Los Angeles-San Diego-San Luis Obispo Rail (LOSSAN) corridor, including: Control Point at 4th Street, 17th Street, Ball Road, Grand Avenue, Main Street, Orangethorpe Avenue, and Santa Ana Boulevard.

R. High Frequency Metrolink Service

Rail corridor improvements underway include: San Juan Creek Railroad Bridge Replacement, Railroad ROW Slope Stabilization Project, Metrolink Preventive Maintenance Capitalized Operation, Metrolink Rehabilitation/Renovation, and ongoing operation of Positive Train Control.

Present Day:

In October 2019, four intracounty trips operating between Laguna Niguel/Mission Viejo and Fullerton were extended to Los Angeles. Further service changes were scheduled in April 2020 but were postponed due to COVID-19. The service changes are now anticipated in 2022 and will include the addition of one evening weekday round trip from Oceanside to Los Angeles on the Orange County Line.

Metrolink is currently operating 41 weekday trains in Orange County due to COVID-19 related service reductions; the plan is to restore service to 54 weekday trains following the pandemic. OCTA and partner agencies are working together with Metrolink and BNSF to implement improvements allowing expansion of service to Los Angeles. OCTA is coordinating with LOSSAN and its member agencies to continue to support improved service integration and coordination within the corridor.

Benefits:

Project R allows for sustained operation and enhanced capacity of Metrolink trains serving Orange County, providing a viable alternative to single-occupant vehicle travel, thereby reducing

congestion on crowded roadways and freeways.

External Funding:

State: STIP, Propositions 1A, 1B, and 116, and Transit and Intercity Rail Capital Program totaling \$285.80 million.

Federal: CMAQ, the Surface Transportation Block Grant Program, and FTA Sections 5307, 5309, and 5337, totaling \$450.96 million.

Other Local: Local funding from the cities as well as other entities is programmed for \$85.26 million.

M1 also provided \$136.58 million.

Risks:

The lower sales tax revenue projections due to COVID-19 limit the ability to expand Metrolink service to Los Angeles. In addition, COVID-19 has greatly impacted Metrolink service. Depending on Metrolink ridership recovery projections and future service level assumptions, maintaining pre-COVID-19 service or expansion of service may no longer be feasible.

Outside of the Next 10 Plan but important to Metrolink operations is the undertaking by Metrolink of a major multi-year \$443.5 million systemwide rehabilitation program that, in addition to safety, will help improve system reliability and performance for commuters. This program needs to be funded over and above ongoing maintenance and operation costs.

Related Projects:

Project S, Project T, and Project V.

R. High Frequency Metrolink Service

Other Involved Agencies:

BNSF, Caltrans, California Office of Emergency Services, California Public Utilities Commission (CPUC), California State Transportation Agency (CalSTA), Corridor Agencies, CTC, FTA, Los Angeles County Metropolitan Transportation Authority, Metrolink, RCTC, San Bernardino County Transportation Authority, and Ventura County Transportation Commission.

Assumptions:

Funding and operating agreements with partner agencies will be successfully implemented.

References:

- OCTA's Comprehensive Business Plan
- Capital Funding Program Report - Rail Project (July 2020)

S. Transit Extensions to Metrolink

Description:

Project S establishes a competitive program for local jurisdictions to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers via transit, to connect passengers to their final destinations. With approximately 60 percent of Orange County's population and employment centers located within a four-mile radius of Metrolink stations, the emphasis of Project S is on expanding access to the core rail system and establishing connections to destinations that are not immediately adjacent to the Metrolink corridor, within the central core, north and south of Orange County. These connections may include a variety of transit technologies such as conventional bus or vanpool (Rubber Tire), bus rapid transit or high capacity rail transit systems (Fixed Guideways), as long as they can be fully integrated and provide seamless transition for the users.

Program Funding:

Approximately \$296 million between 2021 and 2030 (for fixed guideways and rubber tire) in sales tax revenue.

Status:

Fixed Guideway: Through a competitive process, one project (OC Streetcar) advanced beyond initial study. The OC Streetcar is in construction and will operate in the cities of Garden Grove and Santa Ana.

Rubber Tire: One call has been issued since 2012, providing approximately \$732,000 for four projects in the cities of Anaheim and Lake Forest. The City of Lake Forest has cancelled all three

projects. The City of Anaheim project successfully completed its grant on June 30, 2020 and is being funded on a go-forward basis through a subsequent Project V grant.

Present Day:

Maintaining and growing Metrolink ridership relies on convenient and seamless bus and rail connections. Currently, OCTA fixed bus service and company shuttles are the prime providers of transit connections. However, Uber/Lyft paid-ridesharing services have been a growing presence.

Benefits:

Project S will provide expanded transit access to the centralized Metrolink system, thereby allowing Metrolink commuters to connect to other parts of the County without using an automobile.

External Funding:

Fixed Guideways: External funds for two preliminary studies for the cities of Anaheim and Santa Ana were funded with \$4.12 million in federal FTA Section 5307 and city local funds. M1 also provided \$18.71 million for preliminary studies.

The Board has approved funding supporting the OC Streetcar project, including \$25.59 million in contribution of state funds, and \$216.68 million in federal funds from federal CMAQ, FTA Section 5307 and 5309 and New Starts funding totaling \$242.26 million.

Rubber Tire: None. These projects are funded by M2 and local city matching funds.

S. Transit Extensions to Metrolink

Risks:

Overall schedule, scope, and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project R (High Frequency Metrolink Service), Project T, and Project V.

Other Involved Agencies:

CalSTA, Caltrans, CPUC, CTC, FTA and local jurisdictions.

Assumptions:

OC Streetcar: cities of Garden Grove and Santa Ana will provide their required match for operations.

Funding for a future call will be at the Board's discretion.

Rubber Tire: Future calls will be at the Board's discretion based on the level of interest from local jurisdictions but will likely be transitioned to Project V which provides for greater flexibility.

References:

- M2 Eligibility Guidelines
- Project S Guidelines
- Federal 5307 and 5309 Funding Guidelines
- OCTA's Comprehensive Business Plan
- OC Streetcar Project Revised Funding Plan (July 2018)
- Capital Funding Program Report - Rail Project (July 2020)

T. Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

Description:

Provide funding for local improvements to stations along the LOSSAN corridor in Orange County to facilitate connections to future high-speed rail systems, thereby ensuring Orange County's presence in the development and implementation of high-speed rail systems that will serve Orange County. One project, the Anaheim Regional Transportation Intermodal Center (ARTIC), moved forward to completion.

Cost:

M2 contributed \$35.29 million of the \$225.53 million cost of the ARTIC project.

Status:

As part of EAP efforts, OCTA held a competitive call in 2009 for eligible station cities for the development and implementation of station projects in preparation of future high-speed rail systems. The cities of Anaheim, Fullerton, Irvine, and Santa Ana were awarded funding for planning of major expansions of their Metrolink Stations. The City of Anaheim received environmental clearance for the ARTIC project in early 2012. The completed facility opened to rail and bus service on December 6, 2014.

On December 14, 2015, the Board amended the M2 Ordinance and Transportation Investment Plan to officially close out Project T by considering the completion of ARTIC as fulfilling the intent of Project T, as the only Orange County station on the planned High-Speed Rail route. The remaining balance of M2 funds were then transferred to two projects in need:

the Metrolink Service Expansion Program (part of Project R), and the Fare Stabilization Program for Seniors and Persons with Disabilities (part of Project U).

Present Day:

In partnership with transportation agencies, corridor cities, and stakeholders, the California High-Speed Rail Authority in 2008 planned a High-Speed Rail system that was envisioned to extend as far north as Sacramento and as far south as San Diego with a connection in Anaheim. Work on the Central Valley segment from Bakersfield to Merced continues, however other areas of the system have been postponed.

Benefits:

Early completion of Project T allowed for investment in Orange County's rail system to facilitate the planned ultimate integration of various high-speed rail systems within the County. The project relocated the prior rail station from leased land in the Los Angeles Angels of Anaheim parking lot, to its new permanent location as a multi-modal station for all transit riders.

External Funding:

State: STIP totaling \$29.22 million.

Federal: CMAQ, Regional Surface Transportation Program, FTA Sections 5309 and 5337, FTA Bus Livability, and Highway Safety Improvement Program, totaling \$76.00 million.

T. Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

M1 also provided \$87.02 million of which \$32.50 million for ROW will be repaid plus interest by the City of Anaheim by 2025.

Risks:

None – project completed.

Related Projects:

California High-Speed Rail System.

Other Involved Agencies:

California High-Speed Rail Authority, Caltrans, cities of Anaheim, Fullerton, Irvine, and Santa Ana, CTC, FTA, and Metrolink.

Assumptions:

The California High-Speed Rail System will extend to the City of Anaheim as identified in their 2016 Business Plan.

References:

- M2 Eligibility Guidelines
- Section 5309 and 5337 Funding Guidelines
- California High-Speed Rail 2016 Business Plan
- December 2017 Project Status Report
- Capital Funding Program Report - Rail Project (December 2017)

U. Expand Mobility Choices for Seniors and Persons with Disabilities

Description:

Project U provides funding for three programs to expand mobility choices for seniors and persons with disabilities.

The Fare Stabilization Program ensures that fares for seniors and persons with disabilities continue to be discounted at the same percentage as 2006 levels.

The SMP, administered by OCTA, was first established in 2001. For the first ten years, this program was supported with Transit Development Act funds. The allocation of Project U funding ensures the continuation of dedicated resources to sustain this program.

The SNEMT Program was established by the County of Orange in 2003, utilizing Tobacco Settlement Revenue (TSR) to fund the program. Project U funding supplements existing TSR resources to expand the capacity of the program and increase the number of available SNEMT trips.

Program Funding:

Approximately \$116 million on a pay-as-you-go basis between 2021 through 2030.

Status:

Fare Stabilization: In December 2015, the Board approved an amendment to the M2 Ordinance and Transportation Investment Plan that backfilled a funding shortfall identified in this program with

remaining Project T funds. Effective January 2016, an amendment to the M2 Ordinance adjusted this amount to 1.47 percent of net M2 revenues. With the amendment, projected Fare Stabilization revenues are expected to be solvent through the life of the M2 Program.

SMP: This program offers a variety of senior transportation resources for medical, nutrition, shopping, and social trips to participating cities. Currently, there are 31 cities which participate.

SNEMT: This program is administered by the County of Orange Office on Aging and is carried out by two transportation contractors. This program provides approximately 140,000 annual trips under Project U for non-emergency services such as trips to doctor and dental appointments, therapy, dialysis, and pharmacy visits.

As of December 2020, more than \$33.5 million has supported over 120 million trips through the Fare Stabilization Program, \$24.5^{5,6} million provided 2.46 million trips through SMP, and \$26.6 million provided 978,249 trips through the SNEMT Program since the inception of M2.

Present Day:

Studies of senior mobility needs have identified seniors' preference for utilizing local, community-based transportation

⁵ Includes disbursements to the cities of Santa Ana and Stanton. On May 13, 2019, the Board determined that the cities were ineligible to receive M2 revenues. Funds were suspended until the cities achieved compliance. On April 13, 2020, based on compliance audit results, the Board determined the cities eligible to receive net M2 revenues again.

⁶ Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or the agency resumes transportation services, whichever occurs first.

U. Expand Mobility Choices for Seniors and Persons with Disabilities

services rather than countywide or regional services.

The SMP allows participating cities to identify the specific mobility needs of the seniors in their communities and develop transportation programs to best meet those needs with available funding.

The SNEMT Program fills a gap in senior transportation services, as trips are often provided to seniors who do not qualify for ACCESS service, or to seniors whose advanced age or disposition make it difficult to use ACCESS service. Contracting with social service agencies to provide SNEMT services allows this program to provide enhanced service elements beyond the requirements of ACCESS, a paratransit service that complements OCTA's fixed route bus service and is provided to comply with ADA.

Benefits:

M2 funding of these programs, combined with OCTA ACCESS service and other senior transportation services funded with public and private resources, provide a menu of mobility options for Orange County seniors, allowing them to select the service that most appropriately meets their transportation need.

External Funding:

Local jurisdictions contribute a 20 percent match to their SMP services. A variety of funding sources are used by cities for their SMP match requirement, including general fund, Community Development Block Grants, sponsorships, advertising revenue, and

administrative in-kind resources. The County of Orange utilizes primarily TSR funds to meet their maintenance of effort requirement.

Risks:

Local jurisdictions must meet eligibility requirements and provide matching funds for SMP.

Related Projects:

Not Applicable.

Other Involved Agencies:

Nearly all local jurisdictions – Participating SMP cities include: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda. The Orange County Office on Aging administers the SNEMT Program.

Assumptions:

Project U is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project U Funding and Policy Guidelines
- OCTA's Comprehensive Business Plan

V. Community Based Circulators

Description:

Project V provides funding to local jurisdictions through a competitive process to develop local bus transit services, such as community-based circulators, shuttles, and bus trolleys that complement regional bus and rail services and meet local needs in areas not adequately served by regional transit. Projects will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding.

Program Funding:

\$100 million between 2021 through 2030.

Status:

Since M2 inception, the Board has approved \$52 million for 35 projects (Note: service expansions and/or extensions from the 2018 & 2020 calls are counted as separate projects) and ten planning studies through four calls.

Out of the 35 projects awarded by OCTA: two are currently active, 21 are currently suspended (or not initiated) at this time due to COVID-19, nine have been cancelled (primarily due to low ridership), and three have been completed.

Present Day:

Project V helps address the regularly-expressed need for local community-based transit service by Orange County communities.

Benefits:

Community based circulators can provide relief to arterials in high traffic areas, and provide non-auto based mobility options that meet specific local needs.

External Funding:

The local match requirement for both capital and any operating funds authorized by the Board is a minimum of ten percent.

Risks:

Local jurisdictions must meet eligibility requirements to receive funding. Ability to sustain service will be key to moving projects forward. Continued social distancing requirements will also likely impact the ability of these services to re-initiate post-pandemic.

Related Projects:

Project S (some Project S and V routes could serve dual purposes).

Other Involved Agencies:

Participating local jurisdictions.

Assumptions:

Project V is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project V Guidelines
- OCTA's Comprehensive Business Plan

W. Safe Transit Stops

Description:

Project W provides funding for passenger amenities at the 100 busiest transit stops across Orange County. The intent is to assist bus riders in the ease of transfer between bus lines and provide passenger amenities.

Program Funding:

\$10 million between 2021 through 2030.

Status:

Since inception, the Board has approved over \$3.2 million for 122 stop improvements through three calls. To date, 43 stops have been completed and 71 stop improvements are either planned or underway. The remaining eight projects have been cancelled.

Present Day:

High volume stops are eligible for funding providing needed passenger amenities commensurate with the volume of riders.

Benefits:

Eligible improvements in locations where such amenities do not exist to enhance the customer experience. Improvements include enhancements such as sun/rain protection, passenger seating, improved lighting, etc.

External Funding:

Minimal local match provided for design requests; the rest is 100 percent M2 funded up to the Project W funding caps. If over the cap, then additional local agency funds are required.

Risks:

Local jurisdiction-initiated: Local jurisdictions are responsible for amenities at bus stops. Depending on the amenities selected, long-term maintenance and costs could be required.

Related Projects:

Not Applicable.

Other Involved Agencies:

Local jurisdictions with a top 100 busiest stop are eligible to receive these funds.

Assumptions:

Project W is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project W Guidelines
- OCTA's Comprehensive Business Plan

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NEXT 10

DELIVERY PLAN

Environmental Cleanup Program
























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2020 UPDATE
NEXT100
 DELIVERY PLAN

Call for Projects  Call for Projects to be determined based on revenue flow 

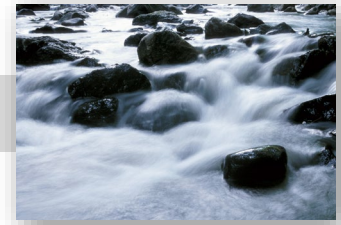
OC Go Environmental Cleanup Grants and Call for Projects

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1.  Water Quality Call for Projects - Tier I																		
2.  Water Quality Call for Projects - Tier II																		

Tier 1 grants program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices.

Tier 2 grants program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.

Environmental Cleanup Program



Overview:

The ECP (Project X) allocates approximately \$225 million toward improving overall water quality in Orange County from transportation related pollution. Project X was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for Project X:

- Provide supplemental funds (not supplant) for existing transportation related water quality programs
- Allocate funds on a competitive basis to improve water quality standards in Orange County
- Reduce transportation-generated pollutants along Orange County's streets, roads and freeways
- Implement best management practices to improve runoff from streets, roads and freeways

Additionally, as part of the overall M2 Plan, all M2 capital projects (freeway, street, and transit) must include water quality mitigation as part of their respective project scope and cost. Therefore, this source of funding is not eligible for environmental mitigation efforts.

Next 10 Plan Deliverables:

The Next 10 Plan for Project X recommends two major initiatives through 2030 consistent with the above framework:

1. Protect Orange County beaches by removing trash from entering waterways and inlets that ultimately lead to the ocean.
2. Work with the ECAC to develop the next tiers of water quality funding programs to prevent the flow of trash, pollutants and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of Project X.

X. Environmental Cleanup Program

Description:

Project X implements street- and highway-related water quality improvement programs and projects that assist Orange County cities, the County of Orange and special districts in meeting federal Clean Water Act standards for urban runoff. Project X is intended to augment, not replace existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs.

In May 2010, the Board approved a two-tiered approach to fund Project X. The Tier 1 grant program is designed to mitigate the more visible forms of pollutants, such as litter and debris that collect on roadways and in storm drains. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices.

The Tier 2 grant program consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Examples include constructed wetlands, detention/infiltration basins, and bioswales which mitigate pollutants such as heavy metals, organic chemicals, and sediment and nutrients.

Program Funding:

\$79 million between 2021 and 2030.

Status:

To date, the Board has awarded approximately \$27.4 million to fund 189 Tier 1 projects across the County through ten rounds of funding since M2 inception. An eleventh call anticipated to be released in early 2021 for approximately

\$2.8 million and programming recommendations are anticipated in summer 2021. The Board has also awarded approximately \$28 million for 22 Tier 2 projects in 12 cities and the County of Orange.

The 2020 Next 10 Plan will continue to commit to annual Tier 1 calls. The next Tier 2 call is anticipated in 2022, with future calls determined based on local jurisdiction interest and cash flow analysis.

Present Day:

Staff estimates that over 33 million gallons (nearly 78 football fields at one-foot deep) of trash have been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. As the equipment is in service over time, the volume of trash captured is expected to increase. The funded Tier 2 projects, once fully operational, have the potential to recharge 157 million gallons of groundwater annually.

Benefits:

Improvements funded through this program will improve overall water quality in Orange County. Funds allocated on a countywide competitive basis will assist agencies in meeting federal Clean Water Act requirements for controlling transportation-generated pollution.

External Funding:

Local jurisdictions are required to provide a 20 percent (Tier 1) and 50 percent (Tier 2) minimum local cash match. Tier 2 matching funds may be reduced, depending on project readiness and operations and maintenance above the ten-year minimum requirement.

X. Environmental Cleanup Program

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to M2 receive funding.

Related Projects:

Not Applicable.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange). Third parties such as environmental organizations, homeowner's associations, non-profit groups, and water and wastewater public entities cannot be a lead agency applicant; however, they could jointly apply with an eligible applicant.

Assumptions:

Funds will be allocated on a countywide competitive basis to assist agencies with improving water quality related to transportation pollution.

References:

- M2 Eligibility Guidelines
- Project X Guidelines
- Tier 2 Grant Program Planning Study
- OCTA's Comprehensive Business Plan

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NEXT 10

DELIVERY PLAN

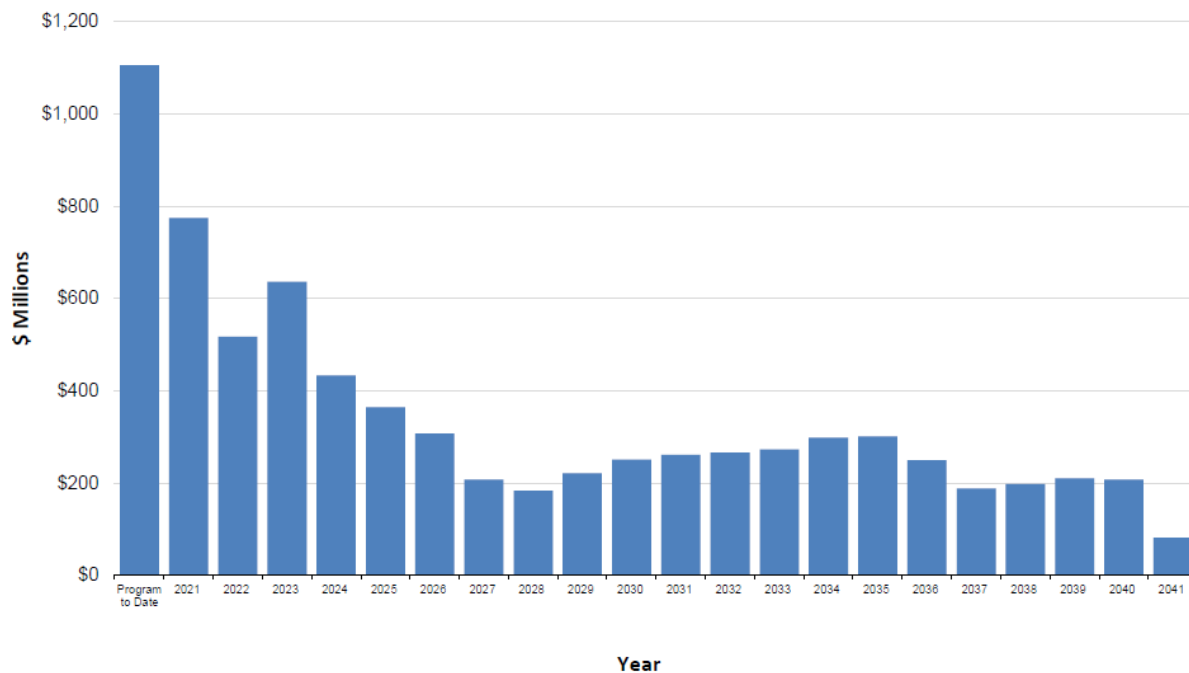
Appendix

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Next 10 Plan Funding Assumptions

To determine the status of the M2 Program, staff reviewed and updated cash flows for the Next 10 Plan for each of the program elements to test whether commitments provided to the voters as part of the M2 approval in November 2006 remain achievable. The revenue assumptions are based on the 2020 M2 revenue forecast of \$11.6 billion using the latest M2 revenue forecast methodology approved by the Board. The Next 10 Plan also assumes approved TIFIA proceeds, FFGA, and net excess 91 Express Lanes revenues for eligible projects as well as the availability of a viable amount of discretionary federal and/or state funds from 2020 to 2041. Revenues and expenses were merged into a high-level cash flow model that will be refined through a Plan of Finance. Bonding assumptions were updated to determine the need to address projected negative ending balances by year (compared to a pay-as-you-go scenario) and are constrained to minimum debt coverage ratios. An M2 cash flow summary chart showing ending balances in all years is shown below.

**2020 Updated Next 10 Delivery Plan
M2 Program Cash Balance**



Freeway Program

Revenues for the M2 Freeway Program assumed a proportional share (43 percent) of net M2 revenue. From inception to 2030, the Freeway Program would receive approximately \$2.58 billion in M2 revenue, \$1.07 billion in bond proceeds (includes \$495.4 million in prior bond proceeds), and \$1.59 billion in state/federal grants, \$108.9 million in committed proceeds, \$418.6 million in net excess 91 Express Lanes revenue for eligible projects, \$26.6 million in interest, and \$24.7 million transferred in

Next 10 Plan Funding Assumptions

from M1 for a total of \$5.818 billion in total revenue. Costs for the same period total \$5.598 billion.

For the 2020 Next 10 Plan update, forecasted revenues and costs through 2041 were also tested for the complete M2 Freeway Program to ensure it could be delivered consistent with commitments. For projects currently in environmental or final design, project schedules and costs were based on data provided by OCTA's Project Controls Department. For projects that have not yet entered the environmental phase, conceptual estimates were prepared based on a scoring of congestion relief, project readiness, and cost escalation risks (associated with project delays). The 2020 update maintained just one bond issuance during the Next 10 Plan timeframe, although the amount increased by approximately \$275 million from the 2019 Next 10 Plan, and includes no others looking out to 2041. As always, bonding is constrained to legal debt coverage ratios, and a Plan of Finance is brought separately to the Board for approval as needed with refined bond assumptions.

As of December 2020, 12 of 30 freeway projects have been completed, as listed in the table below.

Completed M2 Freeway Projects		Construction Complete	Cost*
1. Project C, D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange	2018	\$83.6
2. Project C	I-5, Avenida Vista Hermosa to PCH	2017	\$75.2
3. Project C	I-5, PCH to San Juan Creek Road	2018	\$74.3
4. Project D	I-5, Ortega Highway Interchange	2016	\$79.7
5. Project E	SR-22 Access Improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard	2008	M1\$'s
6. Project G	SR-57 Northbound, Katella Avenue to Lincoln Avenue	2015	\$38.0
7. Project G	SR-57 Northbound, Orangethorpe Avenue to Yorba Linda Boulevard	2014	\$52.3
8. Project G	SR-57 Northbound, Yorba Linda Boulevard to Lambert Road	2014	\$54.1
9. Project H	SR-91 Westbound, I-5 to SR-57	2016	\$59.2
10. Project I	SR-91 Westbound, Tustin Avenue Interchange to SR-55	2016	\$42.5
11. Project J	SR-91 SR-55 to SR-241	2013	\$79.7
12. Project J	SR-91 Eastbound, SR-241 to SR-71	2011	\$57.8
		Total	\$696.4

* Cost in millions

Next 10 Plan Funding Assumptions

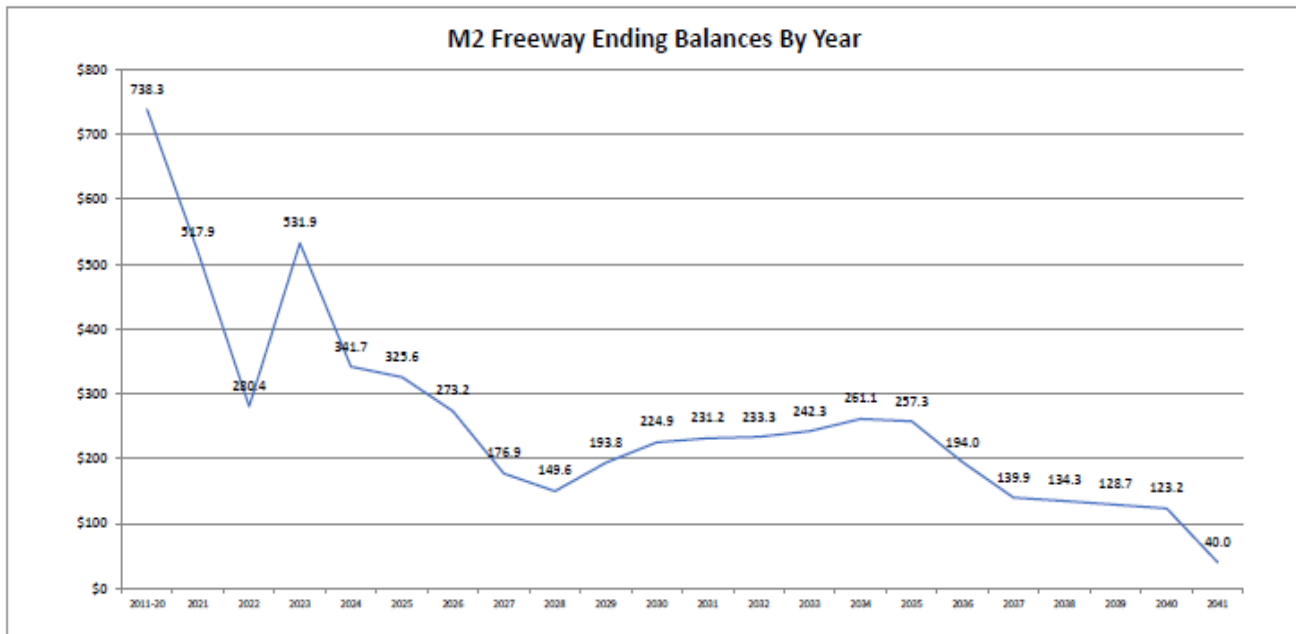
2020 UPDATE



2020 Next 10 Update - M2 Freeway Program Revenues, Estimated Costs, and Ending Balances

(Millions of Dollars; Year of Expenditure)

	M2 Projected Revenue A	Programmed Other Revenue B	Estimated Costs (YOE) C	Project Revenues - Costs D = A + B - C
Project A (I-5, SR-55 to SR-57)	\$ 436.9	\$ 36.2	\$ 39.7	\$ 433.4
Project B (I-5, SR-55 to "Y")	\$ 279.1	\$ 170.1	\$ 430.9	\$ 18.3
Project C (I-5, South of "Y")	\$ 582.8	\$ 445.2	\$ 810.2	\$ 217.9
Project D (I-5 interchanges)	\$ 239.8	\$ 84.3	\$ 200.3	\$ 123.8
Project E (SR-22 access improvements)	\$ 111.5	\$ -	\$ -	\$ 111.5
Project F (SR-55 improvements)	\$ 340.2	\$ 428.2	\$ 634.5	\$ 133.9
Project G (SR-57 improvements)	\$ 240.5	\$ 107.4	\$ 428.5	\$ (80.7)
Project H (SR-91, I-5 to SR-57)	\$ 130.1	\$ 27.2	\$ 59.2	\$ 98.1
Project I (SR-91, SR-57 to SR-55) ¹	\$ 387.2	\$ 455.3	\$ 468.0	\$ 374.4
Project J (SR-91, SR-55 to OC/RC line) ¹	\$ 327.4	\$ 430.0	\$ 437.5	\$ 319.9
Project K (I-405, I-805 to SR-55) ²	\$ 997.2	\$ 244.3	\$ 1,560.2	\$ (318.6)
Project L (I-405, SR-55 to I-5)	\$ 297.2	\$ 8.0	\$ 282.4	\$ 42.8
Project M (I-805 access improvements)	\$ 18.6	\$ -	\$ 29.0	\$ (10.4)
Project N (Freeway Service Patrol)	\$ 139.4	\$ -	\$ 138.5	\$ 1.0
Mitigation Program @ 5%	\$ 238.3	\$ -	\$ 206.0	\$ 32.3
Transfer from M1 Savings		\$ 20.0		\$ 20.0
Interest Earnings		\$ 26.6		\$ 26.6
Bond Interest Costs ³			\$ 543.0	\$ (543.0)
Other Non-Programmed Revenue		\$ 7.7		\$ 7.7
Freeway Program Economic Uncertainties			\$ 969.0	\$ (969.0)
Subtotal M2 Revenues and Costs:	\$ 4,766.4	\$ 2,490.6	\$ 7,216.9	\$ 40.0
2041 Projected Balance:				



¹ \$691.8 million in 91 Express Lanes excess revenue has been incorporated into Other Revenues for portions of Project I (currently assumed at \$418.6 million) and Project J (currently assumed at \$273.2 million).

² \$108.9 million has been incorporated into Other Revenues for Project K. This is a direct benefit to the M2 portion of the I-405 Improvement Project, as the loan will with toll revenues and not M2.

³ Total debt service less bond proceeds.

Next 10 Plan Funding Assumptions

Streets and Roads

The M2 Streets and Roads Program consists of Project O (RCP), Project P (RTSSP), and Project Q (LFS). Combined M2 revenues for these programs assume a proportional share (32 percent) of net M2 revenue. From inception to 2030, the Streets and Roads Program would receive approximately \$1.918 billion in M2 revenue, \$33.9 million in interest, \$121.6 million in prior bond proceeds, and \$607.9 million in M1 and state/federal grants (primarily for the OC Bridges Program), for a total of \$2.681 billion in total revenue. This includes \$6.9 million in SB 1 funding leveraged for Project P. Costs for the same period would total approximately \$2.673 billion (including debt service payments against prior bonding).

Part of Project O includes the OC Bridges Program, which funded seven over- or underpass grade separations that eliminated car and train conflicts along the BNSF Railway in northern Orange County. These grade separations, listed in the table below, increased safety for everyone traveling through the intersections and eliminate delays caused by trains.

Completed OC Bridges – Grade Separation Projects		Construction Complete	Cost*
1. Project O	Kraemer Boulevard (Placentia)	2014	\$63.8
2. Project O	Placentia Avenue (Placentia)	2014	\$64.5
3. Project O	Orangethorpe Avenue (Anaheim/Placentia)	2016	\$105.9
4. Project O	Tustin Avenue/Rose Drive (Anaheim/Placentia)	2016	\$96.6
5. Project O	Lakeview Avenue (Anaheim/Placentia)	2017	\$110.7
6. Project O	Raymond Avenue (Fullerton)	2018	\$126.2
7. Project O	State College Boulevard (Fullerton)	2018	\$99.6
Completed OC Bridges – Grade Separation Projects Total			\$667.3

*Cost in millions

Next 10 Plan Funding Assumptions



Transit Program

The M2 Transit Program consists of Project R (High Frequency Metrolink Service), Project S (Transit Extensions to Metrolink), Project T (Metrolink Gateways), Project U (Seniors/Disabled Persons Mobility Programs), Project V (Community Based Transit/Circulators), and Project W (Safe Transit Stops). Revenues for the M2 Transit Program assume a proportional share (approximately 25 percent) of net M2 revenue. From inception to 2030, the Transit Program would receive approximately \$1.498 billion in M2 revenue, \$51.7 million in prior bond proceeds, \$453 million in external revenue, \$45.6 transferred from M1, and \$14.4 million in interest for a total of \$2.063 billion. Expenses for this same time period total \$2.042 billion (including debt service payments against prior bonding). The cash flow includes \$148.96 million in Federal New Starts funding, \$85.47 million in federal CMAQ, and \$25.52 million in State Cap-and-Trade for the OC Streetcar project. The unprogrammed balance for Project S allows for the option of an additional future transit connection project.

Environmental Cleanup Program

The M2 ECP consists of Project X (Cleanup Highway and Street Runoff that Pollutes Beaches). Revenues for the M2 ECP assume two percent of gross annual M2 sales tax revenue. From inception to 2030, the ECP would receive approximately \$118.6 million in M2 revenue. Expenses for this same time period total \$119.5 million.

Common Abbreviations



Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
Board of Directors	Board
Burlington Northern Santa Fe	BNSF
California Department of Fish and Wildlife	CDFW
California Department of Transportation	Caltrans
California Public Utilities Commission	CPUC
California State Transportation Agency	CalSTA
California Transportation Commission	CTC
Call for Projects	Call
Congestion Mitigation and Air Quality	CMAQ
Conservation Properties	Preserves
Coronavirus	COVID-19
Early Action Plan	EAP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Federal Highways Administration	FHWA
Federal Transit Administration	FTA
Fire Management Plan	FMP
Fiscal Year	FY
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High-Occupancy Vehicle	HOV
Infrastructure Construction Cost Index	ICCI
Interstate 15	I-15
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Local Fair Share	LFS
Los Angeles-San Diego-San Luis Obispo	LOSSAN
Master Plan of Arterial Highways	MPAH
Measure M	M1
Measure M2 or Renewed Measure M	M2
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Next 10 Delivery Plan	Next 10 Plan
Orange County Business Council	OCBC
Orange County Transportation Authority	OCTA
M2 Ordinance No. 3	M2 Ordinance
Pacific Coast Highway	PCH
Regional Capacity Program	RCP

Common Abbreviations

Regional Traffic Signal Synchronization Program	RTSSP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Service Authority for Freeway Emergencies	SAFE
State Highway Account	SHA
State Route 133	SR-133
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 73	SR-73
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Tobacco Settlement Revenue	TSR
Transportation Infrastructure Finance and Innovation Act	TIFIA
United States Army Corps of Engineers	USACE
United States Fish and Wildlife Service	USFWS
Year of Expenditure	YOE

2020 Updated Next 10 Delivery Plan – Ten Balanced Deliverables**Freeways**

1. Deliver 14 improvement freeway projects through construction (Projects A-M).

In Construction		Construction Complete
Project A	Interstate 5 (I-5) between State Route 55 (SR-55) and State Route 57 (SR-57)	2021
Project C, D	I-5 between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2025
Project C, D	I-5 between Oso Parkway and Alicia Parkway/La Paz Interchange	2023
Project C	I-5 between Alicia Parkway and El Toro Road	2024
Project K	Interstate 405 (I-405) between SR-73 and Interstate 605 (I-605)	2024
In Design		
Project F	SR-55 between I-405 and I-5	2026
Project I	State Route 91 (SR-91) between SR-55 and Lakeview Avenue	2027
Project I	SR-91 between La Palma Avenue and SR-55	2028
Project I	SR-91 between Acacia Street and La Palma Avenue	2028
Project M	I-605 Katella Avenue Interchange	2025
In Environmental		
Project B	I-5 between I-405 and Yale Avenue	2029
Project B	I-5 between Yale Avenue and SR-55	2028
Project F	SR-55 between I-5 and SR-91	2029
Project G	SR-57 Northbound from Orangewood Avenue to Katella Avenue	2026

2. Prepare remaining freeway improvement projects for delivery.

Remaining Projects		Environmental Clearance/Shelf-Ready
Project D	I-5/El Toro Road Interchange	2021
Project G	SR-57 Northbound from Lambert Road to Tonner Canyon Road	2024
Project J	SR-91 between State Route 241 and Interstate 15	2030
Project L	I-405 between I-5 and SR-55	2018

2020 Updated Next 10 Delivery Plan – Ten Balanced Deliverables

Streets and Roads

3. Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system, synchronize signals (Project O and Project P), and continue flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs, as appropriate (Project Q).

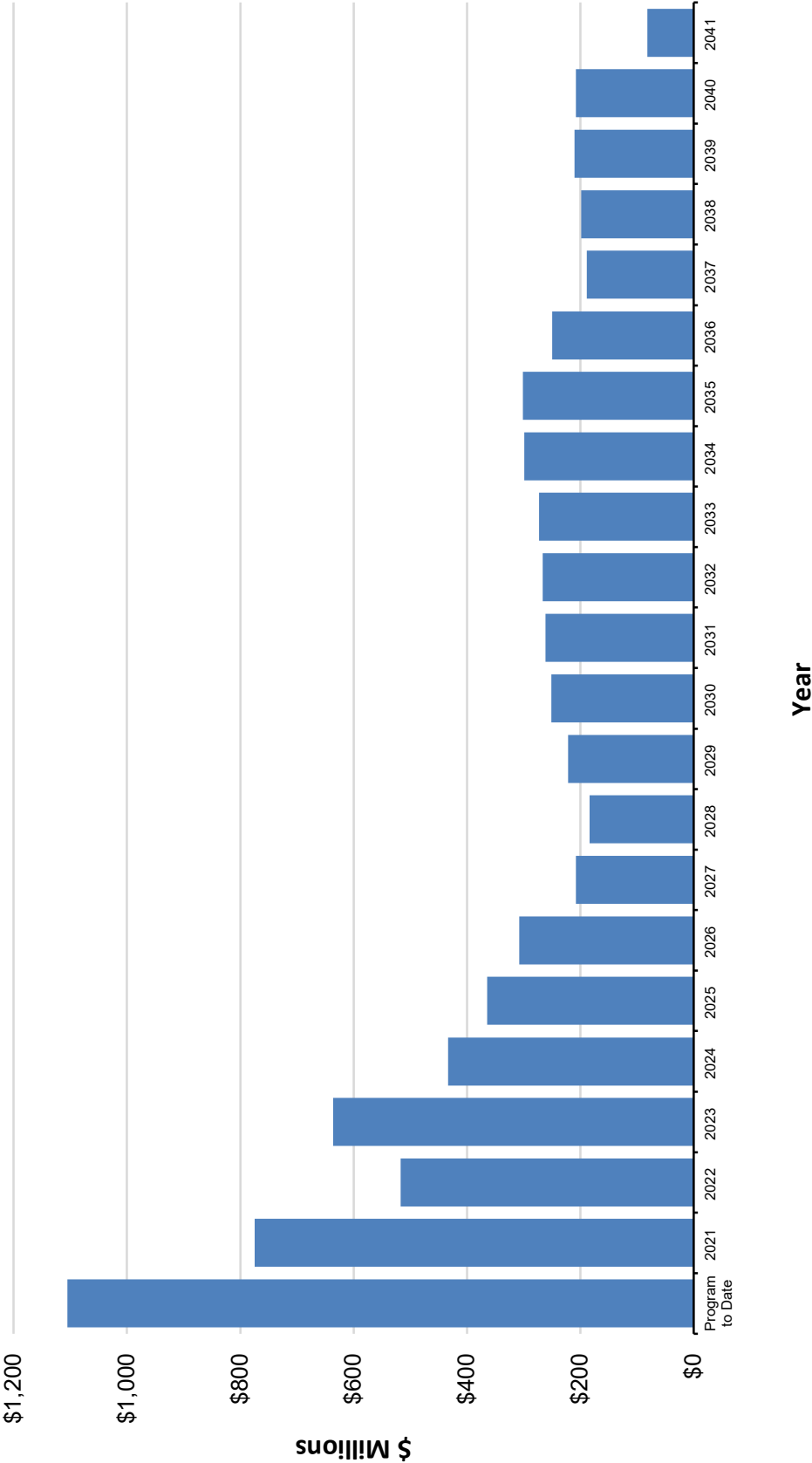
Transit

4. Maintain Metrolink service and complete two rail station improvements (Project R).
5. Complete construction, secure vehicles, begin operating the OC Streetcar, and work with local jurisdictions to consider recommendations from planning studies to guide development of future high-quality transit connections (Project S).
6. Support expanded mobility choices for seniors and persons with disabilities (Project U).
7. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).
8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).

Environmental

9. Ensure the ongoing preservation of purchased open space which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).
10. Work with the Environmental Cleanup Allocation Committee to develop the next tiers of water quality programs to prevent the flow of trash, pollutants and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (Project X).

2020 Updated Next 10 Delivery Plan
M2 Program Cash Balance



Measure M2

2020 UPDATE

NEXT 10 DELIVERY PLAN

M2 Delivery Plans

- Purpose

- Confirm promised projects can be delivered
- Ensure financial sustainability
- Mobilize projects and benefits earlier
- Minimize cost escalation risks
- Position projects to leverage external funding



- Work to date

- ✓ Early Action Plan - adopted in 2007 (five-year mobilization plan)
- ✓ M2020 - adopted in 2012 (eight-year plan – replaced mid-stream)
- ✓ Next 10 Plan - adopted in 2016 (ten-year plan)
 - ✓ Annual updates in 2017, 2018, and 2019

M2 Accomplishments to Date

- Freeways
 - ✓ 12 projects completed
 - ✓ 1,300 acres of open space preserved and another 350 acres restored
- Streets and Roads
 - ✓ 155 projects to make streets work better
 - ✓ 3,000 signals coordinated to reduce stop & go traffic
 - ✓ \$476 million distributed to local jurisdictions for transportation improvements
- Transit
 - ✓ Ongoing Metrolink service and five station projects completed
 - ✓ Safety enhancements at 50 railroad grade crossings
 - ✓ OC Streetcar under construction
 - ✓ \$85 million for mobility of seniors and persons with disabilities
 - ✓ 26 community circulator services
- Environmental
 - ✓ 196 water quality projects



M2 Sales Tax Revenue Forecast

- Updated 2020 forecast is \$11.6 billion
 - ↓ \$1.8 billion less than the 2019 forecast
- Most areas of M2 Plan scale to available revenue
- Freeway Program cannot scale due to set scopes
 - ↑ Cost increase - \$244 million
 - ↓ Revenue loss - \$747 million



ENVIRONMENTAL



A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program



A total of 2% of the overall OC Go Program funds is allocated to the Environmental Cleanup Program

Next 10 Plan Update

- Options to move forward – December 2020
 - Maintain momentum on project delivery and manage bonding levels
 - Adjust Next 10 Plan horizon from FY 2017-2026 to FY 2021-2030
 - Review Q2 M2 revenue receipts prior to update
- Information on M2 Revenue Collections – March 2021
 - ✓ Q2 M2 revenue receipts consistent with forecasts
 - ✓ On track to generate \$11.6 billion in gross M2 revenues

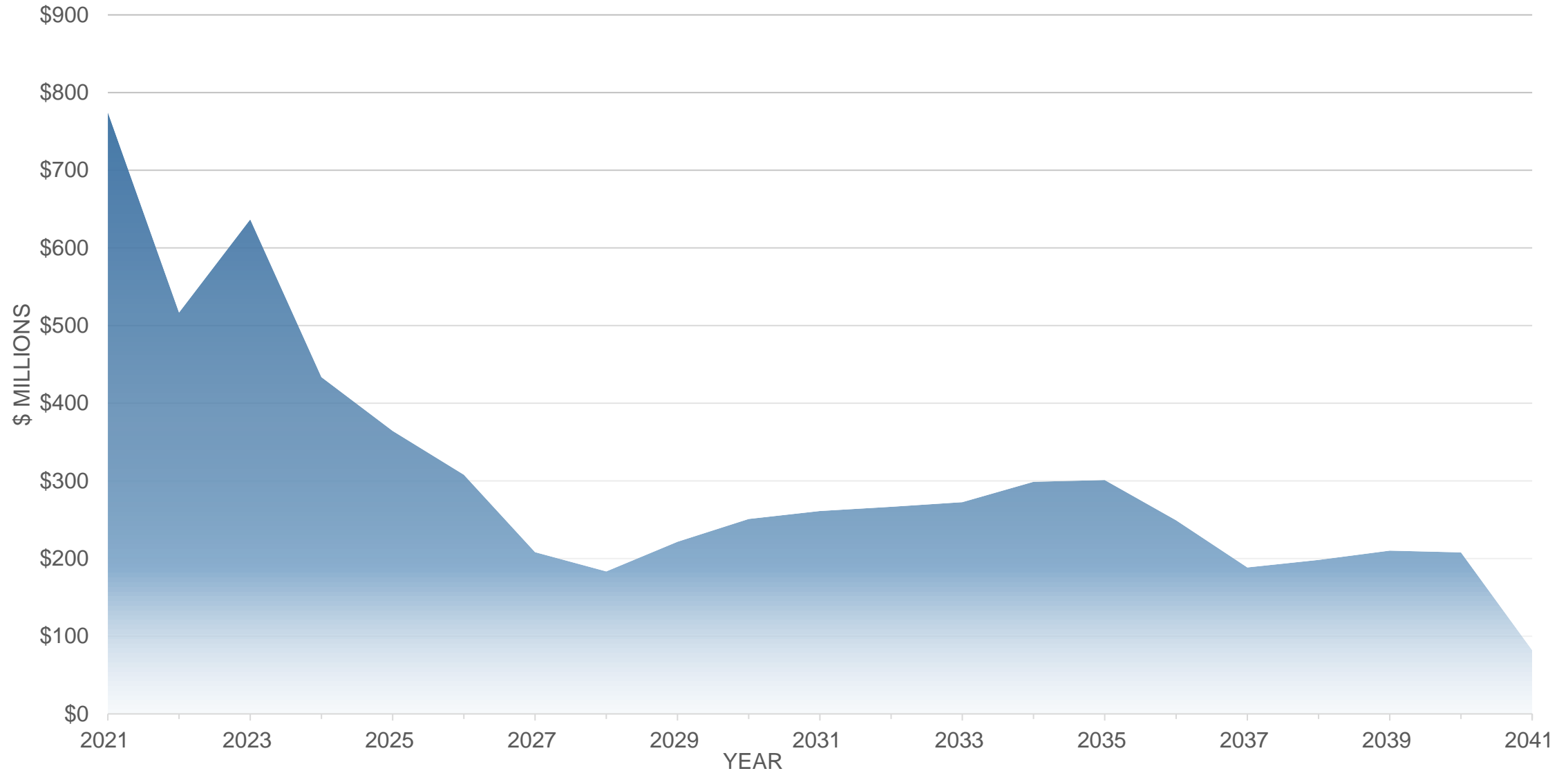


FY – Fiscal Year
Q2 – Quarter 2

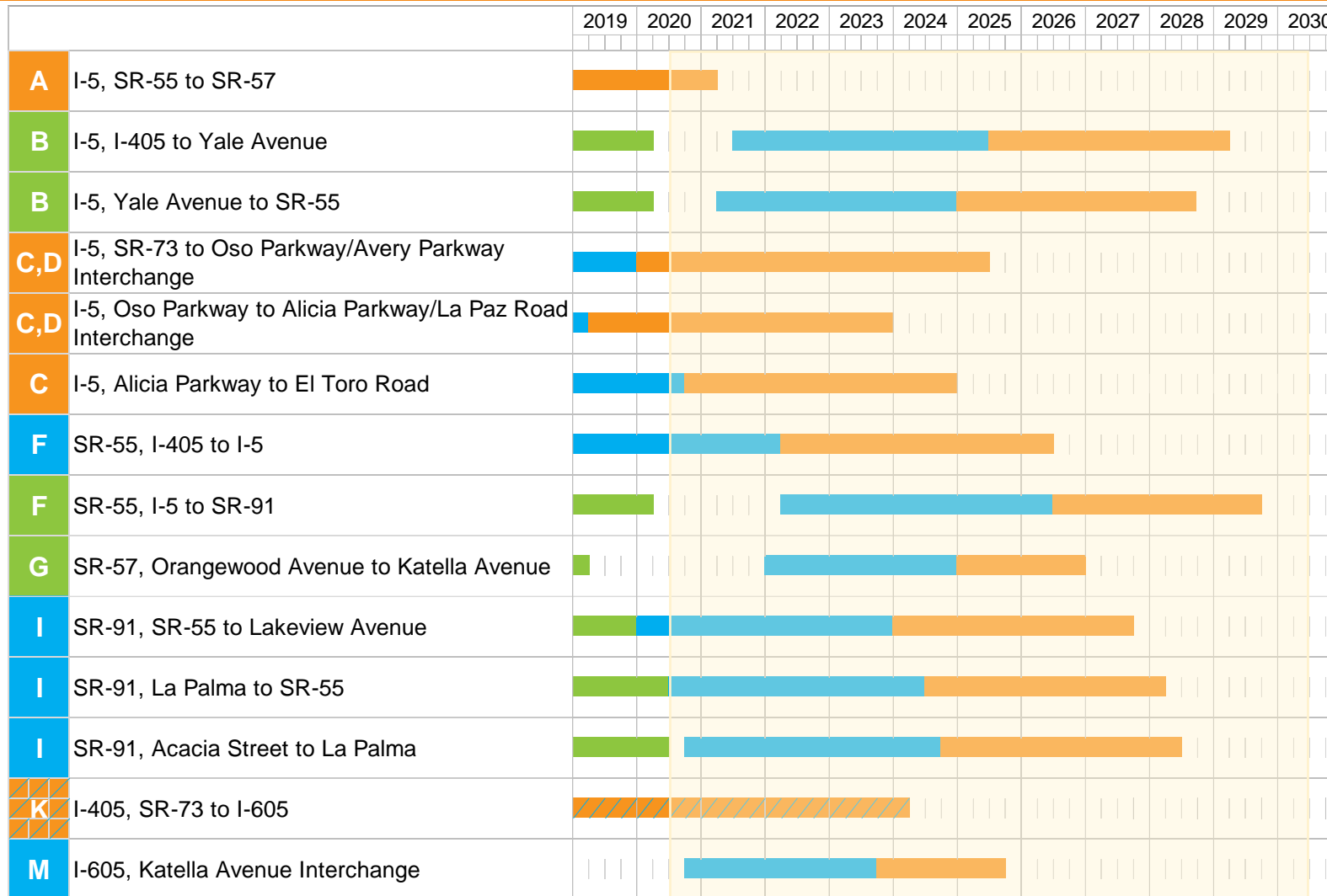
- Cashflow assumes:
 - \$11.6 billion in M2 revenues
 - \$3.6 billion in external revenues
- Assumes one bond issuance of \$575 million in 2023
- Minimum debt service coverage ratio of 3.6x
- Minimum cash balance of \$183 million through 2040
- Cash balance of \$82 million at the end of the program in 2041



M2 Program Cash Balance



M2 Freeway Program



- 14 freeway projects to be delivered in Next 10 Plan timeframe

- Four remaining freeway projects to be reassessed during annual review

I-5 – Interstate 5
SR-55 – State Route 55
SR-57 – State Route 57
I-405 – Interstate 405
SR-73 – State Route 73
SR-91 – State Route 91
I-605 – Interstate 605



Environmental



Design, Advertise, and Award



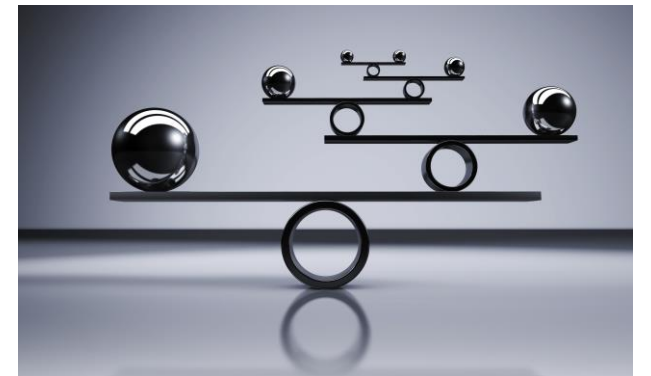
Design-Build



Construction

Next 10 Deliverables Summary

- Freeways
 - Delivers 14 freeway projects
 - Continues annual endowment deposits
- Streets and Roads
 - Returns 18 percent to local agencies for transportation needs
 - Provides annual grants to address street bottlenecks and gaps
 - Funds ongoing coordination of 2,200 traffic signals
- Transit
 - Operations of Metrolink and station improvements
 - Begins operation of OC Streetcar
 - Enhances mobility for seniors and persons with disabilities
 - Continues support for localized transit options
- Environmental
 - Provides for annual water cleanup grants



- Distribute the updated Next 10 Plan to local jurisdictions and stakeholders
- Work with transportation partners on delivery of the Next 10 Plan
- Monitor the risks associated with the changing environment and return to the Board of Directors with updates as appropriate





COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

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

Subject: Proposed Amendment to the Orange County
Local Transportation Authority Measure M2 Ordinance No. 3

Executive Committee Meeting of April 5, 2021

Present: Directors Do, Murphy, Bartlett, Hennessey, Jones, and Shaw

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to extend the fiscal year 2020 21 revised maintenance of effort requirement into fiscal year 2021 22 to continue assisting local jurisdictions through this period of economic uncertainty.
- B. Direct staff to set a date of May 24, 2021, for a public hearing and Board of Directors' action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 as it relates to the maintenance of effort requirement.



April 5, 2021

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

Overview

The voter-approved Measure M2 Ordinance No. 3 requires that local jurisdictions meet a maintenance of effort requirement to remain eligible to receive Measure M2 funding. Local jurisdictions are continuing to experience uncertainties in general fund revenues due to the coronavirus pandemic, which is anticipated to impact their ability to meet the maintenance of effort requirement. In response to these impacts, the Board of Directors approved an amendment to the Measure M2 Ordinance No. 3 in June 2020 to provide flexibility on this requirement through fiscal year 2020-21. An amendment to extend the revised maintenance of effort requirement through fiscal year 2021-22 is proposed to continue assisting local jurisdictions through this period of economic uncertainty.

Recommendations

- A. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to extend the fiscal year 2020-21 revised maintenance of effort requirement into fiscal year 2021-22 to continue assisting local jurisdictions through this period of economic uncertainty.
- B. Direct staff to set a date of May 24, 2021, for a public hearing and Board of Directors' action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 as it relates to the maintenance of effort requirement.

Background

In November 2006, Orange County voters approved the Renewed Measure M Ordinance No. 3 (Measure M2 {M2} Ordinance), also called M2. The

Orange County Transportation Authority (OCTA) is committed to fulfilling the commitments made in M2. This means delivering all projects and programs included in the M2 Transportation Investment Plan (Plan) and complying with the specific requirements identified in the M2 Ordinance. Included in the M2 Ordinance is an amendment process to address unforeseen circumstances.

Local jurisdictions are required to meet specific requirements in order to receive M2 revenues, one of which is related to maintenance of effort (MOE) spending levels. MOE is the amount a local jurisdiction spends in discretionary non-transportation funds, or general fund revenues (GFR), for streets and roads purposes. The intent of this requirement is to ensure that M2 revenues do not supplant funding for streets and roads that a local jurisdiction was previously spending. This requirement must be met each year in order for a local jurisdiction to receive net M2 disbursements.

The original MOE level was established in 1991 with the first Measure M (M1) Program using a five-year average of the funding amount local jurisdictions spent on streets and roads maintenance and construction between 1985 and 1990. The MOE amount remained unchanged during the 20-year life of M1; therefore, it did not keep pace with annual inflation. Recognizing the need for an adjustment, a process was included in the M2 Ordinance to update the MOE amount every three years. The adjustment is determined by utilizing the California Department of Transportation construction cost index growth during a three-year period and applying that growth rate to the MOE, with the exception that the increase cannot be greater than the jurisdiction's increase in GFR for the same period. The most recent adjustment approved by the OCTA Board of Directors (Board) on April 13, 2020, is only the third adjustment to the original MOE as established under M1, and this established MOE benchmark will be used through fiscal year (FY) 2022-23.

Discussion

The M2 Ordinance requires jurisdictions to annually submit two items to OCTA related to MOE:

- 1) MOE certification - before the start of the annual FY budget, local jurisdictions must certify that sufficient expenditures have been budgeted to meet the MOE benchmark.
- 2) Expenditure report - annually, local jurisdictions must submit a detailed financial report. This report is used to validate eligible uses of M2 funds and to report actual MOE expenditures to meet the MOE benchmark requirement.

These requirements, outlined in Section 6 of the M2 Ordinance, and in Section III of Attachment B to the M2 Ordinance, must be met in order for local jurisdictions to continue to receive M2 revenues.

The M2 Ordinance allows for amendments for unforeseen circumstances, which is noted and further discussed in Section 12 of the M2 Ordinance. A specific process for amendments was established by the Board during M1 and has continued with M2. Amendments to the M2 Ordinance, which do not affect the Plan, require a two-thirds vote from the Board, as well as a public hearing and notification process.

As the state designated Local Transportation Sales Tax Authority responsible for administering M2, OCTA is committed to upholding the intent of the M2 Ordinance. As such, amendments are not a normal occurrence and should only be proposed when warranted by unforeseen circumstances, as in the case of the current economic impacts of the health pandemic. Over the last 30 years, between both M1 and M2, there have only been five ordinance amendments. During this same period, there have been ten Plan amendments. Ordinance amendments are corrective changes in nature, versus Plan amendments, which address funding adjustments within the same mode. Attachment A provides information on the amendment process, the language on amendments from the M2 Ordinance, and a history of prior amendments.

In June 2020, the Board, through the process described above approved an amendment to the M2 Ordinance to revise MOE requirements for FY 2019-20 and FY 2020-21 in anticipation of near-term negative growth due to the coronavirus (COVID-19) pandemic. For FY 2019-20, local jurisdictions reported actual MOE expenditures, which could be below the MOE benchmark. For FY 2020-21, local jurisdictions were given the option of meeting either the MOE benchmark or a proportional MOE calculation. The proportional calculation used the local jurisdiction's MOE benchmark compared to GFR, as reported in local jurisdictions' FY 2018-19 Comprehensive Annual Financial Reports. This option allowed local jurisdictions to scale the MOE requirement with fluctuations in their GFR in FY 2020-21.

The latest M2 sales revenue forecast, presented to the Board in October 2020, does not reflect a return to pre-pandemic revenue levels in FY 2021-22. Accordingly, the local jurisdictions may be challenged with satisfying the MOE requirement for FY 2021-22, which reverts to the MOE benchmark. In addition, several local jurisdictions have expressed support for the MOE flexibility offered in FY 2020-21 to be extended through FY 2021-22.

For these reasons, staff is recommending an M2 Ordinance amendment to extend the option for local jurisdictions to use the FY 2020-21 proportional MOE calculation for FY 2021-22. The proposed amendment language is provided in Attachment B. This change is not expected to be extended further, and the MOE will revert to the benchmark in FY 22-23.

The process and timing for amending the M2 Ordinance and MOE submittals is shown below:

Actions	Date
OCTA Executive Committee considers M2 amendment	April 5, 2021
Board considers M2 Eligibility Guidelines FY 2021-22	April 12, 2021
Board considers M2 amendment and sets a public hearing date for June 14, 2021	April 12, 2021
Proposed amendment sent to local jurisdictions for public review prior to public hearing	April 13 - 16, 2021
Taxpayers Oversight Committee provided an update on ordinance amendment	April 13, 2021
Issue public hearing notice (at least 30 days prior to public hearing)	April 13 - 18, 2021
Public hearing on amendment and roll call vote by Board (requires two-thirds vote)	May 24, 2021
Adopted amendment transmitted to local jurisdictions	May 25 - 28, 2021
Local jurisdictions required to submit the MOE certification for FY 2021-22	June 30, 2021
Amendment effective 45 days following adoption	July 8, 2021

Summary

An amendment to the M2 Ordinance is proposed to continue assisting local jurisdictions manage the economic impacts of the COVID-19 pandemic. The amendment will extend the revised MOE requirements for FY 2020-21 through FY 2021-22, while upholding the legislative intent of the M2 Ordinance. Staff also requests that the Board set a public hearing date for May 24, 2021.

Attachments

- A. Procedures to Amend the Renewed Measure M Transportation Investment Plan and Ordinance No. 3, Language Excerpt and Amendment History
- B. Proposed Orange County Local Transportation Authority Ordinance No. 3, Maintenance of Effort Requirements Excerpt, Section 6, Page 3

Prepared by:



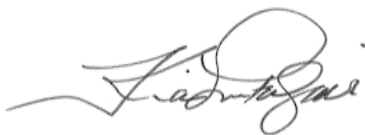
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**PROCEDURES TO AMEND THE
RENEWED MEASURE M TRANSPORTATION INVESTMENT PLAN
AND ORDINANCE NO. 3
LANGUAGE EXCERPT AND AMENDMENT HISTORY**

PROCEDURES

The Orange County Local Transportation Authority (OCLTA) Ordinance No. 3 approved by Orange County voters on November 6, 2007, includes the following procedures to amend the Renewed Measure M Transportation Investment Plan (Plan) and the OCLTA Ordinance No. 3, by the OCTLA Board of Directors (Board):

A proposed amendment which eliminates a program or project specified on page 31 of the Plan shall not be adopted unless the Board adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project.

A proposed amendment which changes in funding categories, programs, or projects identified within the expenditure plan, page 31 of the Plan, shall be first approved by a two-thirds vote of the Taxpayers Oversight Committee.

Proposed amendments to the Plan and Ordinance No. 3 shall be presented to the Board. The Board shall set a date no sooner than 30 days thereafter for a public hearing to consider the proposed amendment(s), and the proposed amendment(s) shall be transmitted to the County Board of Supervisors and the city council of each Orange County city not less than 30 days prior to the public hearing.

Local agencies may offer comments in writing or in person at the public hearing and such comments shall be incorporated into the public record of the hearing.

The Board shall hold a public hearing prior to the adoption of the amendment.

The amendment shall be passed by a roll call vote with at least a two-thirds majority of Board members.

The Orange County Transportation Authority shall give written notice of the amendment to the County Board of Supervisors and all city councils.

Amendment(s) to the Plan or Ordinance No. 3 shall become effective 45 days after adoption.

In addition, a proposed amendment which changes funding allocations among the four major categories of: freeway projects, streets and roads projects, transit projects, and environmental cleanup projects, as identified on page 31 of the Plan; or which changes funding allocations for Local Fair Share Program net revenues (Section IV, C, 3 of Attachment B) shall be approved by a simple majority vote of the electors before going into effect.

Orange County Local Transportation Authority Ordinance No. 3 Amendment Excerpt
Page 6-7

SECTION 12. AMENDMENTS

The Authority may amend the Ordinance, including the Plan, to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The Authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments, and shall hold a public hearing on proposed amendments prior to adoption, which shall require approval by a vote of not less than two thirds of the Authority Board of Directors. Amendments shall become effective forty-five days after adoption. No amendment to the Plan which eliminates a program or project specified on Page 31 of the Plan shall be adopted unless the Authority Board of Directors adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project. No amendment to the Plan which changes the funding categories, programs or projects identified on page 31 of the Plan shall be adopted unless the amendment to the Plan is first approved by a vote of not less than two thirds of the Committee. In addition, any proposed change in allocations among the four major funding categories of freeway projects, street and road projects, transit projects and Environmental Cleanup projects identified on page 31 of the Plan, or any proposed change of the Net Revenues allocated pursuant to Section IV C 3 of Attachment B for the Local Fair Share Program portion of the Streets and Roads Projects funding category, shall be approved by a simple majority vote of the electors before going into effect.

Amendment History

Measure M Amendments Ordinance Amendment

1. September 23, 1991: Procedures and recommendation for amendments to the Measure M Ordinance
2. September 26, 2011: Agencies which qualify as an “Eligible Jurisdiction” under Ordinance No. 3 (Measure M2 {M2}) to also be an “Eligible Jurisdiction” under Ordinance No. 2. (Policy Resolution No. 3, Section II C1, subsection b)

Expenditure Plan Amendments

1. November 25, 1991: Reallocation of funds within the freeway program.
2. May 23, 1994: Reallocation of freeway program funding between Interstate 5 and State Route 91 (SR-91)/State Route 55.
3. May 13, 1996: Cost savings transferred to Commuter and Urban Rail Endowment fund accounts.
4. June 9, 1997: Amendments to local streets and roads component.
5. December 10, 2001: Amend the freeway program to add State Route 22 (SR-22) at \$203 million.
6. September 13, 2004: Amend the freeway program to advance SR-22 and additional \$123.7 million.
7. September 24, 2007: Modify State Route 57 (SR-57) description consistent with Project G in M2 and increase funding by \$22 million and expand limits of SR-22 to include the West County Connection improvements and increase funding by \$10 million.
8. March 8, 2010: Decrease SR-57 funding by \$22 million.

M2 Amendments

Ordinance Amendments

1. November 25, 2013: Strengthens the eligibility and selection process for Taxpayers Oversight Committee (TOC) members to prevent any person with a financial conflict of interest from serving as a member. Also requires currently elected or appointed officers who are applying to serve on the TOC to complete an "Intent to Resign" form.
2. December 14, 2015 (corrected March 14, 2016): Accounts for additional funding from Project T allocated to the Fare Stabilization Program by changing Attachment B language to reflect a 1.47% delegation (rather than 1%) of Project U funding towards Fare Stabilization. Corrected amendment language was presented to the Board of Directors (Board) on March 14, 2016.
3. June 22, 2020: Temporarily changes the maintenance of effort requirements for fiscal year 2019-20 and fiscal year 2020-21 to assist local jurisdictions through the unprecedented period of uncertainty due to the economic impacts of the 2020 coronavirus pandemic.

Plan Amendments

1. November 9, 2012: Reallocation of funds within the freeway program between SR-91 and Interstate 405
2. December 14, 2015 (corrected March 14, 2016): Closeout of Project T and reallocation of remaining funds within the Transit Program between Metrolink Service Expansion Project (Project R) and Fare Stabilization Program (Project U). Corrected amendment language was presented to the Board on March 14, 2016.

**Proposed Orange County Local Transportation Authority
Ordinance No. 3
Maintenance of Effort Requirements**

Section 6, Page 3

SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction's general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21 and FY 2021-22, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads discretionary expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20, and FY 2020-21, and FY 2021-22 to meet original MOE levels.

State Plans and Policies Related to Climate Change

State Perspective/Overview

- Transportation is a large contributor to statewide emissions
- State planning policies and funding programs shifting to transit, bicycle, and pedestrian travel modes
- Highway expansion using state funds possible but limited in scope
- Draft policies under development present challenges and opportunities



Key Policies and Legislation

EO S-3-05

- CA Greenhouse gas (GHG) emissions 80% below 1990 levels by 2050

SB 375

- Sustainable Communities Strategy required in Regional Transportation Plans

EO B-16-2012

- Transportation sector GHG emissions 80% below 1990 levels by 2050

SB 32

- CA GHG emissions 40% below 1990 levels by 2030

EO N-79-20

- 100% zero-emission passenger vehicle sales by 2035
- 100% zero-emission buses in operation by 2045

2005

2006

2008

2009

2012

2013

2016

2019

2020

AB 32

- CA GHG emissions reduced to 1990 levels by 2020

SB 391

- California Transportation Plan must demonstrate achievement of CA GHG goals

SB 743

- CEQA transportation impact analysis shall support infill, public health, and GHG reductions

EO N-19-19

- Achieve CA GHG goals by leveraging state transportation spending

Outcome

Automobile delay is no longer an impact under CEQA

Goals, Strategies, and Issues

Goals: Reduce vehicle miles traveled (VMT), encourage infill development, and support alternative travel modes

Strategies: Use VMT as the transportation impact analysis metric rather than congestion delays

Issue #1: Devalues benefits of traditional congestion reduction approach for improving air quality

Issue #2: Significant impacts are more likely from lane addition/capacity projects

Issue #3: Environmental clearance more complex for capacity projects (*e.g., statement of overriding considerations, etc.*)

Governor's EO N-19-19

Purpose

Achieve climate goals by leveraging state transportation spending

Strategies

Align planning and programming with objectives of California Climate Change Scoping Plan

Reduce VMT by directing investments in a way that support infill development, especially housing near jobs

Reduce congestion through innovative strategies that encourage people to shift from cars to other modes of travel

Fund infrastructure that encourages transit use, walking, and bicycling

Mitigate for any increases in transportation costs incurred on lower income residents of California

Climate Action Plan for Transportation Infrastructure

- Known as “CAPTI”
- Draft state policy that includes direction on discretionary funding programs
- Applies to:
 - Active Transportation Program (ATP)
 - Interregional Transportation Improvement Program (ITIP)*
 - Local Partnership Program (LPP)*
 - Solutions for Congested Corridors (SCCP)*
 - State Highway Operations & Protection Program (SHOPP)*
 - Trade Corridor Enhancement Program (TCEP)*
 - Transit & Intercity Rail Capital Program (TIRCP)

** Freeway capacity projects eligible under current or prior funding guidelines*

Seven CAPTI Strategy Areas

1. Cultivate and accelerate sustainable transportation innovation by leading with state investments for multimodal and zero-emission vehicle projects and supporting planning for future projects that align with CAPTI.
(SCCP, TCEP, ITIP)
2. Support a robust economic recovery by revitalizing transit (state rail plan and California Integrated Travel Project), supporting zero-emission vehicle deployment, expanding active transportation investments.
(ATP, ITIP, SCCP, TCEP, TIRCP)
3. Elevate community voices in how the State plans and funds transportation projects through establishing an equity committee, providing technical assistance, better community engagement.
(All seven fund sources)

ATP - Active Transportation Program
ITIP - Interregional Transportation Improvement Program
SCCP - Solutions for Congested Corridors
TCEP - Trade Corridor Enhancement Program
TIRCP - Transit & Intercity Rail Capital Program

Seven CAPTI Strategy Areas

4. Advance state transportation leadership on climate and equity through improved planning and project partnerships by aligning Caltrans plans and strategies as well as the SHS Management Plan with CAPTI framework.
(ITIP, SCCP, SHOPP, TIRCP)
5. Support climate resilience through transportation system improvements and protections for natural and working lands further through incentives to support climate risk assessments and resiliency planning.
(ITIP, LPP, SCCP, SHOPP, TCEP)
6. Support local and regional innovation to advance sustainable mobility through limit or mitigate VMT growth, local/regional roadway pricing, and sustainable communities strategies.
(All seven fund sources)
7. Strengthen transportation land-use connections by incentivizing infill, address displacement and conversion of highways to boulevards.
(All seven fund sources)

Challenges and Opportunities

Challenges

- Shift in expectations and commitments
- Incentives for transportation investments linked to development projects
- Lack of flexibility for capacity projects that reduce emissions but increase VMT
- Lack of long-term transit operations funding (*start-up operations only*)

Opportunities

- Potential funding for transit and bikeway capital projects
- Funding for zero-emission buses and charging infrastructure more likely
- Some capacity projects may be possible if VMT increase is mitigated
- Efficiency improvements through technology more likely to receive funding (*e.g., signal coordination*)

Next Steps

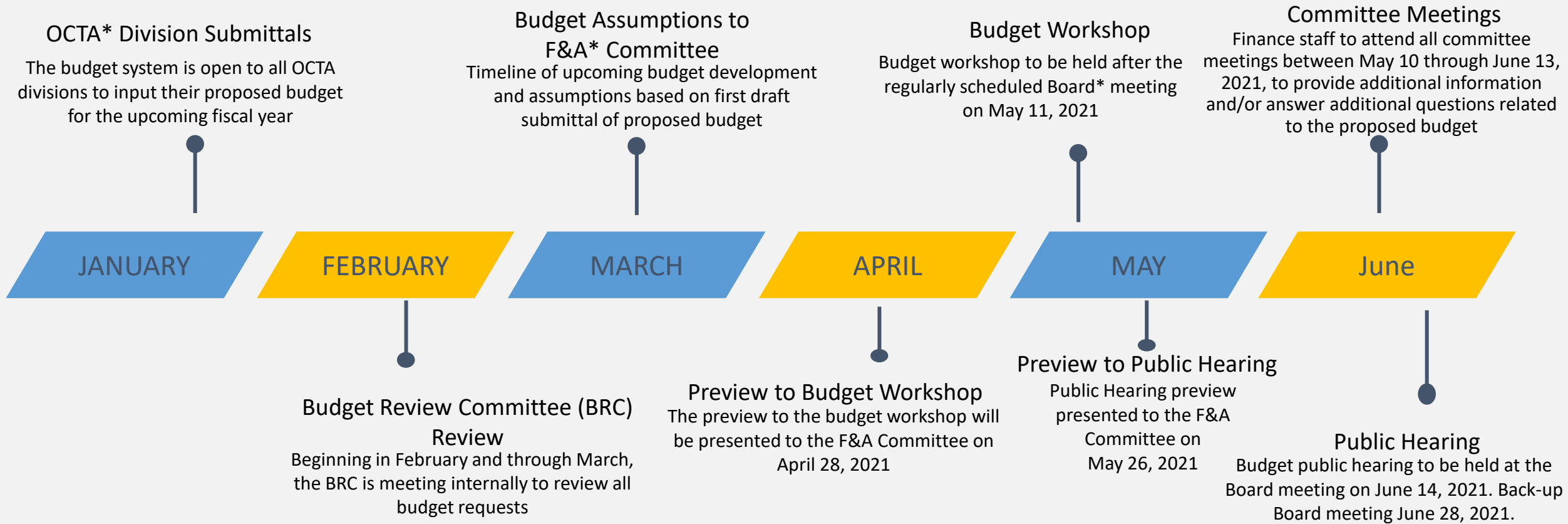
- Comments on CAPTI due May 4, 2021
- More detailed report planned for future Board of Directors meeting
- Potential future changes to OCTA planning efforts and funding policies



Fiscal Year 2021-22 Budget Assumptions



Fiscal Year (FY) 2021-22 Budget Timeline



*Orange County Transportation Authority (OCTA), Finance and Administration (F&A), Board of Directors (Board)

Major Programs

- Measure M2 (M2)
 - Freeway
 - Streets and Roads
 - Transit
- 91 Express Lanes
- Transit
 - Bus Program
 - Rail Program
 - Metrolink
 - OC Streetcar

M2 Program Assumptions

- Sales Tax Revenue
 - Forecast of \$313 million based on MuniServices forecasted growth rate of 3.6 percent
- Expenditures
 - Freeway Mode – expenditures primarily driven by right-of-way, design, and construction efforts for State Route 55 (SR-55) Improvement, Interstate 405 Improvement and South County Interstate 5 Improvement Projects
 - Streets and Roads Mode – expenditures driven by contributions to the cities to support the Local Fair Share, Regional Capacity and Traffic Signal Synchronization Programs
 - Transit Mode – expenditures primarily to support Metrolink operations and construction of the OC Streetcar

Bus Operations Service Assumptions

- Fixed-route service
 - Revenue hours increased from 1.2 million to 1.35 million to accommodate increased ridership if needed
 - Revenue hours could increase up to 1.45 million based on American Relief Plan funding of approximately \$155 million
- Paratransit service
 - Trips comprised of ACCESS primary and supplemental service, same-day taxi service, and special agency service
 - Total trips increase from the current budget of 446,000 to 980,000 to accommodate potential increases in demand
- Microtransit service
 - OC Flex service hours remain consistent at approximately 58,000

Bus Program Revenue Assumptions

- Operating Revenue

- Sales tax revenue estimated at \$163 million based on MuniServices forecasted growth rate of 3.2 percent
- Coronavirus Aid, Relief, and Economic Security (CARES) Act revenue reimbursements projected at \$28.7 million
- Fare revenue projected at \$29.8 million
- Road Repair and Accountability Act estimated to be \$13.5 million
- Federal grants for preventative maintenance estimated to be \$20.1 million and capital cost of contracting estimated to be \$21.2 million

- Capital Revenue

- State Transportation Assistance and Road Repair and Accountability Act estimated at \$22.9 million to support rehabilitation and replacement of capital

Rail Program Expenditure Assumptions

- Metrolink Operating Expenditures
 - Sustain current service levels of 57 trips
 - Assumes federal stimulus funding
- Metrolink Capital Expenditures
 - Placentia Metrolink Station estimated at \$27.5 million
 - Orange Maintenance Facility at \$19.1 million

Rail Program Revenue Assumptions

- Metrolink Operating Revenue

- M2 High Frequency Metrolink Service funds
- Direct draw by Metrolink
 - CARES Act
 - Federal Transit Administration grants

- Metrolink Capital Revenue

- Grants providing approximately \$30.7 million to support rehabilitation and replacement of capital
- Transfers in from 91 Express Lanes estimated at \$14.3 million to support Placentia Metrolink Station

91 Express Lanes Program Assumptions

- Revenue Assumptions

- Toll revenue: Increase from \$32.7 million in current year budget to \$37.2 million driven by 13.9 million trips
- Non-toll revenue: Increase from \$5 million in current year budget to \$6.1 million

- Expenditure Assumptions

- Primary operating cost consists of the operations contracts estimated at \$7.7 million.
- Contribution to construction of the Placentia Metrolink Station of \$14.3 million
- Contribution to State Route 91 (SR-91) Riverside Freeway improvements between SR-91, State Route 241 to State Route 71 (Project J) \$6.1 million and SR-55 and State Route 57 (M2 Program Project I) of \$3.4 million

Next Steps

- Internal review will continue with OCTA finance staff and the Budget Review Committee
- Staff will return to the Finance and Administration Committee on April 28th with a presentation providing a preview of the Budget Workshop