

Minutes of the  
Orange County Transportation Authority  
Orange County Transit District  
Orange County Local Transportation Authority  
Orange County Service Authority for Freeway Emergencies  
Board of Directors Meeting

## **Call to Order**

The June 26, 2017 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Vice Chair Bartlett at 9:05 a.m. at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

## **Roll Call**

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

Directors Present: Michael Hennessey, Chairman  
Lisa A. Bartlett, Vice Chair  
Laurie Davies  
Barbara Delgleize  
Andrew Do  
Lori Donchak  
Steve Jones  
Mark A. Murphy  
Richard Murphy  
Al Murray  
Shawn Nelson  
Miguel Pulido  
Tim Shaw  
Todd Spitzer  
Michelle Steel  
Gregory T. Winterbottom  
Ryan Chamberlain, Governor's Ex-Officio Member

Directors Absent: Tom Tait

Also Present: Darrell Johnson, Chief Executive Officer  
Ken Phipps, Deputy Chief Executive Officer  
Laurena Weinert, Clerk of the Board  
Olga Prado, Assistant Clerk of the Board  
James Donich, General Counsel  
Members of the Press and the General Public

## **Special Calendar**

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

**1. Presentation of Resolutions of Appreciation for Employees of the Month for June 2017**

Darrell Johnson, Chief Executive Officer (CEO), presented the OCTA Resolutions of Appreciation Nos. 2017-053, 2017-054, and 2017-055 to Darvy Traylor, Coach Operator; Esteban Gonzalez, Maintenance; and John Paul Gonzalez, Administration, as Employees of the Month for June 2017.

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

**2. Taxpayer Oversight Committee New Member Recruitment and Lottery**

Chairman Hennessey provided an overview of the Measure M Taxpayer Oversight Committee and conducted the lottery for final selection of new Measure M Taxpayer Oversight Committee Members.

The names were drawn from the recommended finalists from the Grand Jurors' Association of Orange County, each representing the Second and Third Supervisorial Districts.

The lottery results were as follows:

**Second District**

Larry Tekler

Alternates (in order):

- Andrew Smith
- Michael Schwarzmenn
- Paul K. Anderson
- Lloyd Dalton

**Third District**

Andrew Lesko

Alternates (in order):

- Ronald T. Randolph
- James L. Kelly
- Grant Eklund
- Nelson E. Bonilla

Chairman Hennessey thanked all of the applicants and finalists for their interests.

## **Consent Calendar (Items 3 through 11)**

Chairman Hennessey stated that 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**

A motion was made by Director Murray, seconded by Director M. Murphy, and declared passed by those present, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of June 12, 2017.

Director Pulido was not present to vote on this item.

#### **4. State Legislative Status Report**

Director Nelson pulled this item and reported that at the recent Legislative and Communications Committee meeting there was discussion about Senate Bill (SB) 268 (Mendoza, D-Artesia), which proposes to change the membership of the Los Angeles County Metropolitan Transportation Authority Board of Directors (Board), and Director Nelson expressed his concerns.

Director Do also provided his concerns and that there is current legislation proposed in the Senate to take away the Orange County Board of Supervisors control over the CalOptima Board.

Lance Larson, Executive Director of External Affairs, provided background and status on SB 268, as well as highlighted Assembly Bill (AB) 805 (Gonzalez-Fletcher, D-San Diego) that proposes to change the Board membership of San Diego County's transportation agencies. Mr. Larson stated that staff will take OCTA's position on SB 268 to the July 2017 Legislative and Communications Committee meeting.

A discussion ensued, and Director Nelson asked that OCTA engage on both SB 268 and AB 805, and amend staff's recommendation to include adopting an OPPOSE position unless amended position on SB 268.

A motion was made by Director Nelson, seconded by Director Do, and declared passed by those present, to adopt an OPPOSE position on AB 686 (Santiago, D-Los Angeles), which would require public agencies to affirmatively further fair housing in their programs and activities, as well as an OPPOSE position unless amended Senate Bill 268 (Mendoza, D-Artesia).

Director Pulido was not present to vote on this item.

**5. Federal Legislative Status Report**

A motion was made by Director Murray, seconded by Director M. Murphy, and declared passed by those present, to receive and file as an informational item.

Director Pulido was not present to vote on this item.

**6. Special Needs Advisory Committee Appointments and Annual Update**

Vice Chair Bartlett pulled both this item and Item 7. She suggested to the Board Members with pending appointments for the Special Needs Advisory Committee and Citizens Advisory Committee to reach out to Board Members, in their Supervisorial District, for recommendations to serve on the committee.

A motion was made by Vice Chair Bartlett, seconded by Director Davies, and declared passed by those present, to receive and file the Special Needs Advisory Committee's status report.

Director Pulido was not present to vote on this item.

**7. Citizens Advisory Committee Annual Update and New Member Recruitment**

Vice Chair Bartlett pulled both this item and Item 6. See Item 6 for her comments.

A motion was made by Vice Chair Bartlett, seconded by Director Davies, and declared passed by those present, to receive and file the Citizens Advisory Committee status report.

Director Pulido was not present to vote on this item.

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

**8. San Juan Creek Bridge Replacement Project Update and Authority to Acquire Right-of-Way**

Vice Chair Bartlett pulled this item, and expressed appreciation for OCTA's efforts to obtain extra funding and working with the stakeholders in regards to the San Juan Creek Bridge Replacement Project.

Vice Chair Bartlett requested that OCTA keep her apprised of any difficulties and impacts to the property owners, as she wants to keep the Fifth Supervisorial District's elected officials engaged about any project's issues.

**8. (Continued)**

A motion was made by Vice Chair Bartlett, seconded by Director Donchak, and declared passed by those present, to authorize the Chief Executive Officer, or his designee, to initiate discussions with property owners and utility owners, make offers, and execute agreements for the acquisition of all necessary interests in real property and necessary utility relocations for the San Juan Creek Bridge Replacement project.

Director Pulido was not present to vote on this item.

**9. Membership Appointments for the Measure M2 Environmental Cleanup Allocation Committee**

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

- A. Approve the reappointment of current committee members serving on the Measure M2 Environmental Cleanup Program Environmental Cleanup Allocation committee for an additional three-year term.
- B. Appoint two committee members to replace outgoing members on the Measure M2 Environmental Cleanup Program Environmental Cleanup Allocation Committee.

Director Pulido was not present to vote on this item.

**10. Membership Appointments for the Measure M2 Environmental Oversight Committee**

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

- A. Approve the reappointment of current committee members serving on the Measure M2 Environmental Mitigation Program Environmental Oversight Committee for an additional three-year term.
- B. Appoint one committee member to replace an outgoing member on the Measure M2 Environmental Mitigation Program Environmental Oversight Committee.

Director Pulido was not present to vote on this item.

**11. Line of Credit Financing Documents**

Darrell Johnson, CEO, pulled this item and stated that the Line of Credit financing documents for this item relates to Measure M2 funds and requires a Board vote of 12 ayes.

Director Spitzer thanked Finance and Administration (F&A) Committee Chairman Do, the Ad Hoc committee, the financial consultant team, OCTA's staff, and OCTA's General Counsel for a phenomenal job.

Director Spitzer, noted for the record, his frustration with the Build America Bureau Credit Programs Office (Bureau) requirements, in order for OCTA to obtain the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. In addition, Director Spitzer requested that OCTA continue dialogues with OCTA's federal lobbyist to explore future options to reduce or eliminate requirements for the Line of Credit.

Mr. Johnson responded that staff will have conversations with OCTA's federal lobbyist about lessons learned and the exploration of future options for the Line of Credit.

A motion was made by Director Donchak, seconded by Director Davies, and declared passed by a vote of 15-0, to:

- A. Approve the substantially final form of the 2019 and 2021 Credit and Fee Agreements between the Orange County Local Transportation Authority, Orange County Transportation Authority and Bank of America, N.A., for a total amount of \$900 million, and authorize the Chief Executive Officer to negotiate and execute final 2019 and the 2021 Credit and Fee Agreements.
- B. Authorize the Chairman, Vice-Chair, Chief Executive Officer, Executive Director of Finance and Administration, and the Treasurer to sign on behalf of the Orange County Local Transportation Authority all documents related to the line of credit, including the credit agreement, fee agreement, bank note, supplemental indenture, and any certificates, notices, receipts, or agreements in connection with the foregoing.

Director Pulido was not present to vote on this item.

## **Regular Calendar**

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

**12. Transportation Infrastructure Finance and Innovation Act Loan Approval for the Interstate 405 Improvement Project**

Darrell Johnson, CEO, opened with remarks that the TIFIA loan approval for the Interstate 405 Improvement Project is an important milestone. Mr. Johnson thanked the Members of the F&A Committee, former F&A Committee Chairman Spitzer, F&A Committee Chairman Do, and the Ad Hoc Committee for their leadership in guiding OCTA in the negotiations for the TIFIA loan.

Mr. Johnson also stated that OCTA expects approval of the TIFIA loan this week from the Council on Credit and Finance. In addition, Mr. Johnson introduced and thanked the consultant financial team and OCTA's General Counsel and its team for all their work.

Kirk Avila, Treasurer and General Manager of the 91 Express Lanes, provided a PowerPoint presentation as follows:

- Background;
- Sources of Funds for Project Costs;
- Financing Milestones;
- Key Provisions of TIFIA Loan Agreement;
- Recommendations; and
- Next Steps.

A discussion ensued regarding:

- OCTA staff, the financial consultant team, and the Board were thanked for all their efforts.
- The TIFIA loan savings in interest rates is approximately \$300 million, and the savings could be used for Orange County highway projects.
- The goal in establishing the TIFIA finance plan for the 405 Express Lanes was to ensure that OCTA could allow, from a financial perspective, the ability to have high-occupancy vehicle (HOV) 2+ travel for free during the non-peak hours and HOV 3+ at all times of the day.
- The TIFIA finance plan gives OCTA the ability to build revenue funds established from the 405 Express Lanes and not use anything from OCTA's "balance sheet."
- The 405 Express Lanes excess toll revenues will be set aside for seven years and would be available at year 2030.
- Half of the excess toll revenues funds, on an annually basis, would be used to pay the Bureau's principal portion of the TIFIA loan. The remaining excess toll revenues funds would be available to OCTA to spend on Assembly Bill 194 approved projects.

**12. (Continued)**

- Chairman Hennessey, F&A Committee Chairman Do, and former F&A Committee Chairman Spitzer where acknowledged for their leadership in regards to this item.
- The TIFIA loan is a non-recourse loan, debt cover ratio came in substantially lower than originally anticipated, and the interests rate also came in substantially lower.

A motion was made by Director Do, seconded by Director Pulido, and declared passed by those present, 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 in the amount of approximately \$627 million, the substantially final form of the Master Trust Indenture and Supplemental Indenture by and between Orange County Transportation Authority and the Trustee, and authorize the Chief Executive Officer to negotiate and execute a final Transportation Infrastructure Finance and Innovation Act Loan Agreement, Master Indenture, and Supplemental Indenture.
- B. Authorize the Chairman, Vice-Chair, Chief Executive Officer, Executive Director of Finance and Administration, and the Treasurer to sign all documents related to the Transportation Infrastructure Finance and Innovation Act loan, including the Transportation Infrastructure Finance and Innovation Act Loan Agreement and Bond, the Master Indenture, Supplemental Indenture, and any certificates, notices, receipts, or agreements in connection with the foregoing.

**Discussion Items**

**13. Public Comments**

There were no public comments received.

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

Darrell Johnson, CEO, reported that:

- On Monday, June 26<sup>th</sup> and Tuesday, June 27<sup>th</sup>, Metrolink will offer special service on its Orange County Line to and from Los Angeles Union Station as the Dodgers take on the Angels at Dodgers' Stadium.
- On Wednesday, June 28<sup>th</sup> and Thursday, June 29<sup>th</sup>, the Angels Express will be back in service.



**14. (Continued)**

- On Thursday, June 29<sup>th</sup> at 6:00 p.m., OCTA will host an open house for the Interstate 605/Katella Interchange Project at the Los Alamitos Community Center. Staff will be in attendance to provide information about the first stage of the project which includes the preliminary engineering and environmental process.
- On Saturday, July 1<sup>st</sup> at 10:00 a.m., OCTA will participate in an event with the City of Laguna Beach to kick-off the Laguna Beach Summer Breeze shuttle service. Mr. Johnson stated that last year, the shuttle service was introduced by Laguna Beach to help alleviate traffic over the summer.
- The Laguna Beach Summer Breeze shuttle service will be available on Saturdays and Sundays, July 1 through September 3, from 11:00 a.m. to midnight, and Vice Chair Bartlett will attend the kick-off event.

**15. Directors' Reports**

Director Murray reported the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board meeting was held on Monday, June 19<sup>th</sup>. He stated that the LOSSAN Agency's Board is very pleased with OCTA's efforts as the Managing Agency, and directed staff to pursue negotiations with OCTA in the same role beyond the current expiration of June 2018.

Director Murray also reported that the LOSSAN Agency's Board approved the continuance of the Rail 2 Rail program with Metrolink pursuing an increased reimbursement rate per boarding. In addition, the Metrolink Board took a similar action on Friday, June 23<sup>rd</sup>, and he thanked Director Nelson for his leadership in that effort.

Director Donchak reported that she, along with Vice Chair Bartlett, attended the completion celebration event, in Trabuco Canyon, for the Natural Community Conservation Plan/Habitat Conservation Plan. Director Donchak highlighted the three components of the conservation plan, and expressed that this is another example of OCTA's staff excellent work.

Director Delgleize reported that last Tuesday, the City of Huntington Beach broke the Guinness World Record for the largest recorded surf paddle-out, and thanked all that used public transportation to attend the event.

**16. Closed Session**

A Closed Session will be held as follows:

- A. Pursuant to Government Code Section 54956.9(b) – Conference with Legal Counsel – Anticipated Litigation. One Matter.
- B. Pursuant to Government Code Section 54956.9(a) – Conference with Legal Counsel – Existing Litigation. Estate of Richard Collins, et al., v. Orange County Transportation Authority, et al. OCSC Case No. 30-2016-00844677.
- C. Pursuant to Government Code Section 54956.9(d)(1) to discuss City of Long Beach v. State of California Department of Transportation, San Diego Superior Court Case No. 37-2016-00014907.
- D. Pursuant to Government Code Section 54957.6 to discuss negotiations with Teamsters Local 952 regarding the coach operators. The lead negotiator for the Orange County Transportation Authority is Maggie McJilton, Executive Director of Human Resources and Organizational Development and for Teamsters Local 952 is Patrick Kelly or his designee.

Director Pulido was not present for the Closed Session items.

**17. Adjournment**

The meeting was adjourned at 10:00 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, July 10, 2017**, at Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

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Laurena Weinert  
Clerk of the Board

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Michael Hennessey  
OCTA Chairman