

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 July 10, 2017 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Hennessey at 9:08 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
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
Tom Tait
Gregory T. Winterbottom
Ryan Chamberlain, Governor's Ex-Officio Member

Directors Absent: Lisa A. Bartlett, Vice Chair

Also Present: Ken Phipps, Acting 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. Recognition of the Orange County Transportation Authority's 2017 High School Intern Program

Ken Phipps, Acting Chief Executive Officer (CEO), opened with remarks that OCTA partnered with the Anaheim Innovative Mentoring Experience (AIME) program that was launched by Director Tait, in his capacity as Mayor for the City of Anaheim, in conjunction with the Anaheim Union High School District Superintendent Michael Matsuda.

Director Tait welcomed the students and thanked them for participating in the AIME program, as well as highlighted how the AIME program was started. Director Tait also thanked OCTA for its participation in the program.

Mr. Phipps recognized and introduced OCTA's AIME High School Interns from the following schools:

Anaheim High School

- Angela Guerra
- Jaylin Borja

Katella High School

- Margarita Ayala
- Kelly Velasquez
- Jacqueline Alcaraz
- Yadira Segura
- Fatimah Zaidi

Kennedy High School

- Marybeth Zipagang

Loara High School

- Angeles Hernandez
- Melody Vague

Magnolia High School

- Christine Kelly Salvador

Savanna High School

- Laura Contreras
- Carlos De La Sancha
- Ariel Fregoso

Western High School

- Ashley Salgado

Consent Calendar (Items 2 through 8)

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

2. 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 26, 2017.

Director Nelson was not present to vote on this item.

3. Fiscal Year 2016-17 Third Quarter Budget 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 information item.

Director Nelson was not present to vote on this item.

4. Fiscal Year 2016-17 Third Quarter Grant Reimbursement 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 information item.

Director Nelson was not present to vote on this item.

5. Environmental Mitigation Program Endowment Fund Investment Report

Director Donchak pulled this item and stated as the Environmental Oversight Committee (EOC) Chair her appreciation to OCTA for the Environmental Mitigation Program's endowment fund investment. Director Donchak requested that the EOC be provided this report either biannually or annually as an agenda item at an EOC meeting in order to keep the EOC informed.

Director Donchak also stated concerns about the 13 percent one-year yield and referenced Attachments A and B of the Staff Report, and asked about the alternatives category.

Rodney Johnson, Deputy Treasurer, responded that the alternatives category is an equity and equity-like strategy that provides a low correlation to the equity markets, in order to maintain the safety of the fund. In addition, Director Donchak asked where the high-yield is coming from. Mr. Johnson responded that the high-yield primarily comes from securities.

5. (Continued)

Director Donchak asked how the benchmarks are set under the alternatives category. Mr. Johnson responded that the benchmarks are set by the California Community Foundation Board of Directors (Board)-approved strategy. In addition, Director Donchak requested a chart of the asset allocations for the five California Community Foundation investment pools.

Director Donchak also stated that safety and preservation of capital is preferable. James Donich, General Counsel, stated that the endowment funds are managed by the California Community Foundation and provided clarification.

A discussion ensued regarding:

- Director Tait requested verification that the funds are not invested in derivatives.
- Director Spitzer stated the financial actions used in the past by Robert “Bob” Citron, Former Orange County Treasurer-Tax Collector, which caused the County of Orange bankruptcy, are not allowed to be used.

A motion was made by Director Donchak, seconded by Director Pulido, and declared passed by those present, to receive and file as an information item.

Director Nelson was not present to vote on this item.

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

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

- A. Conditionally approve one delay request for the City of Irvine’s Peters Canyon Off-Street Bikeway Lighting Improvements Project, contingent on the Orange County Board of Supervisors approval of the right-of-way agreement.
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program and execute any required agreements or amendments to facilitate the recommendations above.

Director Nelson was not present to vote on this item.

Director Tait did not vote on this item due to a potential conflict of interest.

7. OC Active: Project Update

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

Director Nelson was not present to vote on this item.

Orange County Local Transportation Authority Consent Calendar Matters

8. Capital Programming Update

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

- A. Consistent with current Capital Action Plan cost estimates, authorize the use of \$15.479 million in Measure M2 for Interstate 5 widening from State Route 73 to Oso Parkway.
- B. Authorize the following adjustments to replace \$14.374 million in Federal Transit Administration 5307 and to fund an increase in the project cost by \$4.133 for the San Juan Creek Bridge Replacement Project.
 - Increase of \$12.645 million in Proposition 1B Trade Corridor Improvement Fund project cost savings (contingent on actual savings accrued from the OC Bridges projects),
 - Increase of \$3.364 million in Federal Transit Administration Section 5337 State of Good Repair funds,
 - Increase of \$2.376 million in Proposition 116 funds, and
 - Increase of \$0.122 million in Measure M2 funds.
- C. Authorize the use of up to \$7.363 million in Congestion Mitigation and Air Quality Improvement Program funds for the Anaheim Canyon Station Project.
- D. Replace \$2 million in Federal Transit Administration Section 5337 with Measure M2 to support right-of-way activities for the Anaheim Canyon Station Project.
- E. Authorize the use of up to \$6 million in Federal Transit Administration Section 5307 funds for Metrolink preventive maintenance capitalized operations.
- F. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program, and execute or amend all necessary agreements to facilitate the above actions.

8. (Continued)

Director Nelson was not present to vote on this item.

Director Tait did not vote on this item due to a potential conflict of interest.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

9. Overview of SB 1 (Chapter 5, Statutes of 2017) - The Road Repair and Accountability Act of 2017

Adriann Cardoso, Capital Programming Manager, provided a PowerPoint presentation for this item as follows:

- Overview;
- SB 1 Ten-Year Revenue Timeframe;
- Sources of Revenues Ten-Year Estimate (\$ millions);
- Uses – Ten-Year Estimate (\$ millions);
- Competitive Programs;
- Formula Programs;
- Highway User Tax Account and SB 1 Revenues;
- 2017 State Funding Need;
- 2017 State Funding Need – Potential Projects; and
- Next Steps.

A discussion ensued regarding:

- Staff will return to the Board in late 2017 or early 2018.
- Director Spitzer is against SB 1, and he is taking a position to support the initiative to repeal the gas tax increase, as well as provided his concerns.
- SB 1 would add 12 cents to a gallon of gasoline with a Consumer Price Index adjustment.
- In the nation, California has the highest gasoline tax.
- OCTA is communicating directly to the City Managers, Technical Advisory Committee, and Technical Steering Committee.
- Director Davies provided her concerns about OCTA using the SB 1 funds for projects and having those funds potentially repealed.

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

Discussion Items

10. Public Comments

There were no public comments received.

11. Chief Executive Officer's Report

Ken Phipps, Acting CEO, reported that:

- The annual Angels Express Kids Ride Free campaign has begun, and during the months of July and August, kids 18 and under can ride free to all weekday home games starting at 7:07 p.m. In addition, the Angels Express will be back in service on Friday, July 14th.
- On Saturday, July 15th, OCTA will host an event to kick-off the OC Fair Express at the Fullerton Park and Ride at 9:30 a.m. This year, the OC Fair Express will run from 10:00 a.m. to midnight on Saturdays and Sundays from nine different locations throughout Orange County.
- OC Fair Express riders are encouraged to use the OC Bus Mobile App to purchase their passes. The OC Fair Express cost is \$2.00 each way, or 75 cents for seniors and persons with disabilities, and riders will receive a coupon for a \$3.00 OC Fair admission.
- On Monday, July 17th, there will be nightly full and partial freeway closures on the Interstate 5 (I-5), in one direction at a time, in order to install overhead signs for the I-5 south project. The work will take place at the I-5 and Pacific Coast Highway interchange, and all work will be from 10:00 p.m. to 5:00 a.m. through July 28th. OCTA will notify motorists and residents through all OCTA's regular communication channels.
- On Wednesday, July 26th, OCTA will host a groundbreaking ceremony with the City of Orange for the new Metrolink Parking Structure at the Orange Transportation Center in Old Towne Orange. The event will start at 9:00 a.m., and the Board is invited to attend.

12. Directors' Reports

Director Tait thanked and congratulated Director Chamberlain and his staff for applying and receiving a grant for Beach Boulevard.

13. Closed Session

There were no Closed Session items scheduled.

14. Adjournment

The meeting was adjourned at 9:38 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, July 24, 2017**, at Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

Laurena Weinert
Clerk of the Board

Michael Hennessey
OCTA Chairman