

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 August 13, 2018 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairwoman Bartlett at 9:03 a.m. at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

## **Roll Call**

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

Directors Present:     Lisa A. Bartlett, Chairwoman  
                               Tim Shaw, Vice Chairman  
                               Laurie Davies  
                               Barbara Delgleize  
                               Andrew Do  
                               Lori Donchak  
                               Michael Hennessey  
                               Steve Jones  
                               Mark A. Murphy  
                               Richard Murphy  
                               Al Murray  
                               Miguel Pulido  
                               Todd Spitzer  
                               Michelle Steel  
                               Tom Tait  
                               Gerardo De Santos, Acting District Director  
   California Department of Transportation District 12

Directors Absent:     Shawn Nelson  
                               Gregory T. Winterbottom

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

## **Special Calendar**

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

**1. Adopt Resolution of Necessity for the Interstate 405 Improvement Project Between State Route 73 and Interstate 605**

Chairwoman Bartlett provided opening comments that this item was continued from the July 23, 2018 Board of Directors (Board) meeting due to Levine Act concerns.

Director M. Murphy recused himself from this item due to a potential conflict with the Levine Act.

James Donich, General Counsel, stated that at the last Board meeting, the question of whether or not the Levine Act prohibits a Board Member from participating in an action for Resolutions of Necessity (RONs) was raised. Mr. Donich stated that after research and an informal discussion with the California Fair Political Practices Commission (FPPC), his opinion is that the Levine Act does not apply to the RONs provisions.

Director Tait stated that at the last Board meeting, he did not participate in the RONs actions because he thought his firm had worked with Southern California Edison (SCE), last year, and confirmed that his firm did not do work with SCE, and he will participate on this matter today.

Director Spitzer referenced Closed Session Item 26 on today's agenda, and asked if the Levine Act applies. Mr. Donich, General Counsel, stated that if OCTA decided to cease the eminent domain process and reached an arm's length transaction with the property owner, in that type of situation, the Levine Act would apply.

Director Spitzer asked if a Board Member could rely upon the FPPC's informal opinion. Mr. Donich, General Counsel, responded to that the FPPC informal opinion could not be relied upon.

Chairwoman Bartlett opened the public hearing, and Rose Casey, Director of Highway Programs, provided a PowerPoint presentation for this item as follows:

- Interstate 405 Improvement Project RON Locations;
- RON No. 2018-103 – Southern California Edison Company; and
- Four Requirements to be Considered to Adopt Resolutions.

Chairwoman Bartlett opened the floor for public comments, and there were no public comments.

**1. (Continued)**

A motion was made by Director Pulido, seconded by Director Hennessey, and declared passed by those present, to close the public hearing. Director M. Murphy recused himself due to a potential conflict with the Levine Act.

A motion was made by Director Pulido, seconded by Director Hennessey, to adopt Resolution of Necessity No. 2018-103, and authorize and direct General Counsel to prepare, commence, and prosecute a proceeding in eminent domain for the purpose of acquiring necessary right-of-way and real property interests for the Interstate 405 Improvement Project between State Route 73 and Interstate 605.

Director Spitzer voted in opposition.

Director M. Murphy recused himself due to a potential conflict with the Levine Act.

**Consent Calendar (Items 2 through 20)**

**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 July 23, 2018.

**3. Fiscal Year 2017-18 Internal Audit Plan, Fourth Quarter Update**

A motion was made by Director Murray, seconded by Director M. Murphy, and declared passed by those present, to receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2017-18 Internal Audit Plan as an information item.

**4. Interstate 405 Improvement Project: Project Management Contracts, Internal Audit Report No. 18-505**

Director Do pulled this item and stated that the Finance and Administration (F&A) Committee previously discussed this item. Director Do highlighted and acknowledged the first paragraph of management's response to "Recommendation 2" in Attachment A of the Staff Report.

Director Do also referenced "Recommendation 3" in Attachment A of the Staff Report and requested to include in OCTA's policy that for any contract amendments, more than 60 days in arrears, documentation be required to support the amendment.

**4. (Continued)**

A motion was made by Director Do, seconded by Director Spitzer, and declared passed by those present, to direct staff to implement four recommendations and include the modification to Recommendation 3 provided in Interstate 405 Improvement Project: Project Management Contracts, Internal Audit Report No. 18-505.

**5. New York Meetings Update - June 2018**

Vice Chairman Shaw pulled this item and reported that during the New York rating agencies and financial institutions (June 2018) meetings, OCTA asked the rating agencies for ratings upgrades on the 91 Express Lanes debt.

Andy Oftelie, Executive Director of Finance and Administration, stated that the financial institutions currently rate OCTA as follows:

- AA- rating from Standard & Poor's;
- AA+ rating from Moody's - potential upgrade; and
- A rating from Fitch Ratings - potential upgrade.

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

**6. Fiscal Year 2018-19 Budget Amendment**

A motion was made by Director Murray, seconded by Director M. Murphy, and declared passed by those present, to amend the Orange County Transportation Authority's Fiscal Year 2018-19 Budget by \$51,527,520, to accommodate Agreement No. C-6-1445, for the purchase of eight streetcar vehicles, spare parts, and special tooling for the OC Streetcar project.

Directors Spitzer, Steel, and Tait voted in opposition of this item.

**7. Fourth Quarter Fiscal Year 2017-18 Procurement 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.

**8. Acceptance of State Competitive Grants**

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

- A. Adopt Orange County Transportation Authority Resolution No. 2018-099 authorizing the Chief Executive Officer, or designee, to accept the Adaptation Planning grant award, execute grant-related agreements and documents with the California Department of Transportation, and authorize up to \$94,421 in Commuter and Urban Rail Endowment fund as match, and authorize up to \$94,600 in in-kind match for the project.
- B. Adopt Orange County Transportation Authority Resolution No. 2018-100 authorizing the Chief Executive Officer, or designee, to accept the Sustainable Communities grant award, execute grant-related agreements and documents with the California Department of Transportation, and authorize \$36,000 in State Transportation Improvement Program Planning, Programming, and Monitoring funds as match for the project.
- C. Authorize the Chief Executive Officer, or designee, to amend the Federal Transportation Improvement Program to facilitate the recommendations above.

**9. SB 1 (Chapter 5, Statutes of 2017) Local Partnership Program Formula Funding Program Recommendations for Fiscal Year 2019-20**

Director Spitzer pulled this item, provided comments, and asked if Senate Bill 1 (SB 1) is repealed, what OCTA's plans are.

Darrell E. Johnson, Chief Executive Officer (CEO), responded that staff will bring forward to the Board, a bus service plan, provided additional comments, and stated staff would pursue alternative funding sources to replace the SB 1 funds.

A discussion ensued regarding:

- The monies are not being encumbered contractually because this item is a programming action against a future construction phase of the Interstate 5 Measure M2 (M2) project (from Avery Parkway to El Toro Road).
- SB 1 funds (for this item) are for fiscal year 2019-20
- Mr. Johnson, CEO, provided clarification on staff's recommendations.
- SB 1 Local Partnership Program Formula funds are intended to reward entities that passed a local sales tax measure.
- Should SB 1 be repealed, this item's project would need to go back to the M2 delivery plan for funding.

**9. (Continued)**

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

- A. Approve the use of \$9.388 million in fiscal year 2019-20 SB 1 Local Partnership Program Formula funding for the Interstate 5 Improvement Project from Alicia Parkway to El Toro Road (Segment 3).
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above recommendations.

**10. SB 1 (Chapter 5, Statutes of 2017) State of Good Repair Program Recommendations for Fiscal Year 2018-19 Funds**

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

- A. Approve the use of \$5.673 million in fiscal year 2018-19 SB 1 State of Good Repair Program funding in place of Commuter Urban Rail Endowment funds to purchase up to 12 iShuttle replacement buses.
- B. Approve Resolution 2018-108, consistent with the SB 1 State of Good Repair Program Guidelines.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above recommendations.

**11. Regional Planning Update**

Chairwoman Bartlett pulled this item and asked if OCTA coordinated with the Transportation Corridor Agencies (TCA), the Transportation Control Measure (TCM) signal synchronization projects substitution. Chairwoman Bartlett also asked if the Oso bridge project can be reviewed and discussed with the Southern California Association of Governments.

Kurt Brotcke, Director of Planning, responded that the TCM substitute was coordinated with the TCA, and OCTA is pursuing three traffic signal synchronization projects as the TCM substitution (as noted in the Staff Report.) Mr. Brotcke also stated that OCTA discussed the Oso bridge project with the TCA, and at this time, the project is not moving forward.

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

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

### **12. OC Flex Update and Proposed Fare**

A motion was made by Director Murray, seconded by Director M. Murphy, and declared passed by those present, to approve the OC Flex fare of \$5.00 for onboard cash paying customers or \$4.50 for customers that use prepaid fare media.

### **13. Consultant Selection for On-Call Project Management and Construction Management Services for Transit Facility Projects**

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

- A. Approve the selection of Hout Construction Services, Inc., doing business as Hout Engineering, as the firm to provide on-call project management and construction management services for transit facility projects.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1428 between the Orange County Transportation Authority and Hout Construction Services Inc., doing business as Hout Engineering, for a term of three years, with one, two-year option term, to provide on-call project management and construction management services for transit facility projects.

### **14. October 2018 Bus Service Change**

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.

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

### **15. Capital Programs Division - Fourth Quarter Fiscal Year 2017-18 and Planned Fiscal Year 2018-19 Capital Action Plan Performance Metrics**

Director Do pulled this item and stated he has no particular concerns with OCTA's Capital Action Plan and provided comments. He asked, as the F&A Committee Chairman, the Board to consider market costs and forecasting conditions, even though there is financing, on whether or not to move forward with a project's construction timetable.

Director Do stated that his going forward approach would be for staff to present to the Board, the cost condition forecasts during the life of the project's construction.

**15. (Continued)**

A discussion ensued as follows:

- Mr. Johnson, CEO, highlighted past and present OCTA plans to accelerate projects.
- A third M2 Next 10 Delivery Plan will come forward to the Board in fall 2018 that will address delivery of the projects.
- OCTA generally will pause a project at the end of the environmental process or the beginning of design, and an additional discussion ensued.
- M2 Project A construction bid process was highlighted, and issues with firms not meeting the Disadvantaged Business Enterprise (DBE) good faith efforts were discussed.
- Concerns were provided about the DBE compliance issues.
- F&A Committee Chairman Do would support a directive to include the DBE policy as part of the Internal Audit plan.
- Mr. Johnson, CEO, recommended that staff present to the F&A Committee the federal DBE requirements as the starting point, and F&A Committee Chairman Do agreed with the recommendation.

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

**16. Agreement for On-Call Property Maintenance Services for Orange County Transportation Authority-Owned Properties**

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

- A. Approve the selection of Joshua Grading & Excavating, Inc., as the firm to provide on-call property maintenance services for Orange County Transportation Authority-owned properties acquired to support highway and transit projects.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1452 between the Orange County Transportation Authority and Joshua Grading & Excavating, Inc., in the amount of \$1,500,000, to provide on-call property maintenance services for Orange County Transportation Authority-owned properties acquired to support highway and transit projects for a five-year term.



**17. Consultant Selection for Construction Management Support Services for the Interstate 5 Widening Project Between Oso Parkway and Alicia Parkway**

Director Spitzer stated for the record, that to ensure compliance of with the Levine Act, he returned the monies to AECOM Technical Services, Inc.

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

- A. Approve the selection of HDR, Inc., as the firm to provide construction management support services for the Interstate 5 widening project between Oso Parkway and Alicia Parkway.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1418 between the Orange County Transportation Authority and HDR, Inc., to provide construction management support services for the Interstate 5 widening project between Oso Parkway and Alicia Parkway.

**18. Comprehensive Transportation Funding Programs - Measure M2 Environmental Cleanup Program 2018 Tier 1 Call for Projects**

Staff continued this item to a future Board meeting.

**19. Measure M2 Comprehensive Transportation Funding Programs - 2019 Annual Call for Projects**

Director Do pulled this item and referenced the first bullet point on Chapter 8, Page 12 in Attachment B of the Staff Report and requested that the word bicycle be included to read "New or upgraded vehicle, bicycle, and pedestrian detection" category.

OCTA staff acknowledged that the word "bicycle" could be included as part of an amendment to this item's proposed revisions to the guidelines. Chairwoman Bartlett clarified that the amended definition is for any type of a two wheel vehicle that is electric or non-electric.

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

- A. Approve proposed revisions to the Comprehensive Transportation Funding Programs Guidelines.
- B. Authorize staff to issue the 2019 annual call for projects for the Regional Capacity Program, providing \$32 million for potential projects.

**19. (Continued)**

- C. Authorize staff to issue the 2019 annual call for projects for the Regional Traffic Signal Synchronization Program, providing \$8 million for potential projects.

Director Hennessey was not present to vote on this item.

**20. Measure M2 Freeway Environmental Mitigation Program 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.

**Regular Calendar**

**Orange County Transportation Authority Regular Calendar Matters**

**21. Draft 2018 Long-Range Transportation Plan**

Darrell E. Johnson, CEO, opened with comments and introduced Kurt Brotcke, Director of Planning, who provided a PowerPoint presentation for this item as follows:

- Key Issues for 2018 Long-Range Transportation Plan (LRTP);
- Growing Traffic and Limited Land;
- Changing Travel Demand and Patterns;
- LRTP Outreach To-Date and Major Feedback;
- Trend 2040;
- Highway Improvements;
- Managed Lane Performance;
- Street Improvements;
- Active Transportation Improvements;
- Transit Improvements;
- Metrolink Improvements;
- Trend 2040 – Results and Outcomes;
- Short-Term Action Plan; and
- Next Steps.

A discussion ensued as follows:

- Director Donchak thanked staff for the survey efforts, and stated that it is important for outreach to communicate the public upcoming meeting dates.
- Director Donchak requested the stakeholders list.
- This plan is for 2040, and specific phasing of the projects, as well as transit technologies for bus or rail projects have not been identified. In addition, there is flexibility on how and when the plan will be implemented.

**21. (Continued)**

- Staff will return with short-term impacts to this plan should SB 1 be repealed.
- Chairwoman Bartlett encouraged staff to keep working with Orange County and San Diego counties regional transportation partners for a connection to the San Diego County line.
- Director Tait stated that he opposed taking freeway right-of-way for managed lanes, and asked that if there are managed lanes, a pricing policy to maximize throughput, as opposed to generating revenue, be provided.

A motion was made by Director Donchak, seconded by Director Davies, and declared passed by those present, to direct staff to release the draft 2018 Long-Range Transportation Plan for public review and return with the final Long-Range Transportation Plan in fall 2018.

**Discussion Items**

**22. 2018 Chief Executive Officer Initiatives and Action Plan - Second Quarter Progress Report**

Darrell E. Johnson, CEO, highlighted the accomplishments of the 2018 CEO's initiatives and action plan for the second quarter of 2018.

**23. Public Comments**

There were no public comments.

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

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

- Special Transit Services Update:
  - Angels Express ridership is up approximately five percent over last year, with about 31,000 boardings.
  - OC Fair Express had approximately 80,000 boardings this year, which is down from last year.
  - Laguna Beach Summer Breeze had approximately 7,000 boardings during the seven weekends.
- The Contracts Administration & Materials Management (CAMM) team was recognized for earning the 2018 Annual Achievement of Excellence in Procurement Award from the National Procurement Institute.

The CAMM team has received this award for the eight consecutive year, and OCTA is one of 47 agencies in California and one of only 29 special districts in the United States and Canada to receive the award.

**25. Directors' Reports**

Director Tait reported that this last week there was a Beach Boulevard Coalition meeting, and thanked Directors Delgleize and Jones, the California Department of Transportation, and OCTA for their participation and leadership at the meeting.

**26. Closed Session**

A Closed Session was held as follows:

Pursuant to Government Code Section 54956.9(d)(2) - Conference with Legal Counsel - Anticipated Litigation. One Matter.

Directors Do, Spitzer, and Tait were not present for the Closed Session item.

**27. Adjournment**

The meeting adjourned at 10:18 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, August 27, 2018**, at the 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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Lisa A. Bartlett  
OCTA Chairwoman