

**Staff Evaluation of Services Provided by
Platinum Advisors, LLC for 2018**

The following narrative provides specific information with respect to major issues addressed by Platinum Advisors, LLC (Platinum) in 2018 and general services provided. Each issue has been evaluated based on effort and outcome using a rating of excellent, very good, good, fair, or poor.

Sponsor Legislation – SB 1119 (Chapter 606, Statutes of 2018)

Effort: Excellent; Outcome: Excellent

Co-sponsored by the California Transit Association (CTA) and supported by a number of transportation agencies, SB 1119 (Chapter 606, Statutes of 2018) will provide system-wide flexibility in the use of Low Carbon Transit Operations Program (LCTOP) funding for new transit pass programs, new or expanded transit service serving disadvantaged communities (DACs) or low-income communities, and the purchase of zero-emission transit buses and supporting infrastructure. With the success of the Santa Ana College student transit pass program using LCTOP funding, this bill will allow OCTA to expand upon this transit pass program and further expand transportation choices for students and residents of DACs. This will have the dual benefit of increasing ridership while simultaneously reducing congestion on local streets and roads.

Platinum was successful in not only securing the bill's initial author, former State Senator Josh Newman (D-Fullerton), but also securing Senator Jim Beall (D-San Jose), as the author when Senator Newman was recalled. This required quick action in order to meet policy committee deadlines. Platinum also proactively set up meetings with key agency staff at the California Department of Transportation (Caltrans), California Air Resources Board (ARB), California State Transportation Agency (CalSTA) and Governor's Office to address any concerns early on. While ARB continued to move forward recommending a veto to the bill, these meetings were critical to dispel those concerns with CalSTA and the Governor's Office. Notably, despite opposition from the environmental justice community who Platinum sought to work with early in the bill's formation, SB 1119 passed unanimously out of both the Senate and the Assembly and did not receive a single vote in opposition in any of its committee hearings.

Major Legislation – AB 327 (Gipson, D-Carson)

Effort: Excellent; Outcome: Excellent

AB 327 (Gipson, D-Carson) would have authorized the Governing Board of the South Coast Air Quality Management District (SCAQMD) to create requirements for the use of zero-and near-zero emission technology in public fleets to the maximum extent feasible in the south coast region. Including for transit agencies. While AB 327 would have required the SCAQMD in adopting the regulations to consult with Caltrans, the California Highway Patrol, and the transportation commissions within their region, it would have presented significant implications for the Orange County Transportation Authority's (OCTA) existing transit services and financial plans, and potentially

contradicted any requirements put in place by the ARB under its Innovative Clean Transit regulation. Working with representatives from CTA and the Los Angeles Metropolitan Transportation Authority, Platinum engaged the author's office and SCAQMD to address these concerns. This included offering compromise amendments to the bill to protect transit agencies moving forward who would be subject to the ARB regulatory actions, while also allowing SCAQMD to move forward with AB 327 for other public fleets. SCAQMD was unwilling to accept these amendments. However, due to the concerns about the significant impacts to transit agencies, AB 327 was held in the Senate Transportation and Housing Committee, and thus failed passage. This is the second time Platinum has worked to help defeat this type of proposal with SCAQMD in the last two years.

Major Legislation – AB 1912 (Chapter 909, Statutes of 2018)

Effort: Very Good; Outcome: Poor

AB 1912 (Chapter 909, Statutes of 2018) was introduced as the result from a recommendation by the State Auditor to ensure that all joint power authority (JPA) entities can cover their retirement obligations, even if these liabilities were not considered at the time the JPA was formed. The bill in its original form would have held current and former JPA member agencies jointly-and-severally liable for pension obligations, although the State Auditor's report only recommended such policy for future JPAs. OCTA opposed the bill in this form because it would have adversely affected the agency's financial structure and deter against the future use of JPAs. Platinum worked in conjunction with numerous other public agency stakeholders to oppose the bill. This opposition led to amendments which softened the application of the bill, but still led to potential adverse implications for JPAs. As a direct result of AB 1912, OCTA could be subject to significantly more financial liability than was anticipated upon the formation of the Southern California Regional Rail Authority (Metrolink) JPA. Therefore, OCTA recommended the Governor veto the bill. Ultimately, because many entities withdrew their opposition to the final version of the bill, the Governor signed it. OCTA will be working with other Metrolink member agencies to mitigate the impacts of this bill going forward.

Major Legislation – SB 502 (Chapter 602, Statutes of 2018)

Effort: Excellent; Outcome: Excellent

On August 23, 2018, amendments were made to SB 502 (Chapter 602, Statutes of 2018) in the last days of session which provided Construction Manager/General Contractor (CM/GC) authority to Metrolink for commuter rail projects without the consent or oversight of its member agencies, including OCTA. These initial amendments would have subverted OCTA's prerogative to maintain local control over the delivery of transportation projects on the 42 miles of OCTA-owned rail right-of-way in Orange County. As such, because of the timing in the introduction of the bill and lack of communication from Metrolink on the legislative proposal, OCTA was forced to take an oppose position. Platinum nimbly navigated the process with the Assembly Transportation Committee and the author to communicate this opposition, and willingness by OCTA to improve the bill. Platinum was ultimately successful in integrating OCTA-drafted amendments to ensure the use of CM/GC would only be

conducted according to previous precedent. On August 27, 2018, SB 502 was amended to clarify that Metrolink could only use CM/GC authority upon approval from the county transportation commission that has jurisdiction over the project. The bill also provided CM/GC authority for the county transportation commissions, such as OCTA, to construct Metrolink commuter rail projects utilizing CM/GC. These amendments allowed OCTA to remove its opposition to SB 502 and support the bill. This final version signed into law could serve as a tool to expedite the delivery of Metrolink improvement projects throughout southern California.

Major Legislation – SB 1466 (Glazer, D-Orinda) and SCA 20 (Glazier, D-Orinda)

Effort: Excellent; Outcome: Good

SB 1466 (Glazer, D-Orinda) and SCA 20 (Glazier, D-Orinda) would have authorized adjustments in the distribution of revenues generated from the Bradley-Burns Uniform Local Sales and Use Tax Law, as they relate to online sales. This would have allowed for a more equitable distribution of revenues provided under the Bradley-Burns taxes by allowing revenues to flow to the destination of goods sold, rather than point-of-sale, as current law provides. These bills were directly influenced by a State Auditor report finding, from an audit request sponsored by OCTA in 2017. If SB 1466 and SCA 20 were signed into law, OCTA could have received a more equitable share of LTF funding, and extreme fluctuations due to the expected increase in online sales could have been mitigated. The provisions of SB 1466 and SCA 20 were nearly identical, and therefore, SB 1466 was integrated into SCA 20 and pulled by the author. Amendments were proposed to implement a phase-in and phase-out approach to mitigate the impact a redistribution would have on agencies, however, SCA 20 was held in the Senate Appropriations Committee over the need for more discussion. Platinum worked to ensure OCTA was at the table at the beginning of the process, providing opportunities for OCTA to testify before policy committees when the bills were heard. While neither bill was successful, this effort will inform future efforts as ongoing discussions take place with stakeholders.

Other Significant Legislation

Effort: Very Good; Outcome: Good

AB 686 (Chapter 958, Statutes of 2018): In its original form, AB 686 (Chapter 958, Statutes of 2018), would have required public agencies, including OCTA, to administer programs and activities relating to housing and community development in a manner that would affirmatively further fair housing (AFFH). This would have created a legal loophole to challenge transportation funding, planning, programming, and construction activities, even when the transportation agency has no jurisdiction over housing and land use decisions. This would have also conflicted with other state goals, including those related to job creation, the environment, and disadvantaged communities. Given these concerns, the author had initially pulled the bill in 2017. However, the author, in an effort to address the concerns raised by the California Association of Councils of Governments, OCTA, the Southern California Association of Governments, the Riverside County Transportation Commission, and others, amended the bill this year. The amendments removed regional transportation agencies from the AFFH requirement, which allowed OCTA to go neutral on the bill.

AB 1905 (Grayson, D-Concord): AB 1905 (Grayson, D-Concord) would have provided legal certainty for transportation projects that have been adopted as part of a sustainable communities strategy. The primary goal of AB 1905 was to limit injunctive relief awarded in litigation pursued under CEQA against projects that have already undergone California's thorough environmental review process and are part of a plan that has demonstrated overall emission reduction benefits. While Platinum worked with committee and author staff to discuss the potential benefits of the bill, and demonstrate that this was part of the original vision of SB 375 (Chapter 728, Statutes of 2008), the author ultimately decided to pull the bill from policy committee. Ultimately, committee staff pointed to the lack of identified, specific projects that could benefit from the bill. Due to strong opposition from the environmental community, the bill could not be expanded to allow for more certainty in benefits.

AB 3201 (Daly, D-Anaheim): AB 3201 (Daly, D-Anaheim) would have created added certainty about the availability of incentive funding for future deployments of zero-emission buses and related infrastructure by clarifying eligibility parameters for ARB incentive funds. Given concerns about the adequacy of funding availability needed to meet ARB's proposed Innovative Clean Transit Regulation, which would mandate the purchase of zero-emission buses, AB 3201 would have helped alleviate some of these issues by expanding the eligibility requirements under the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program. Platinum worked closely with Assembly Member Daly's office on the drafting of the bill, and all amendments proposed throughout the process to ensure continued benefit to OCTA. However, AB 3201 was held in the Assembly Appropriations Committee, and thus failed passage due to strong opposition from the environmental community. OCTA will continue to seek opportunities to promote an incentive-based approach as part of the ARB regulatory process.

SB 1434 (Leyva, D-Chino): Sponsored by CTA, SB 1434 (Leyva, D-Chino) would have required the California Public Utilities Commission to initiate a ratemaking proceeding that addresses the cost of electricity as a fuel for transit agencies. The bill would have allowed for a proceeding that brought relevant stakeholders together to deliberate on an appropriate rate structure rather than prescribing a specific rate structure in statute. As such, this bill could have allowed for a more a successful statewide transition to zero-emission technologies. Platinum worked to allow for support from Orange County delegation members, stressing the cost impacts the Innovative Clean Transit regulation poses to OCTA. However, due to opposition from the electric utilities, SB 1434 was ultimately held in committee. CTA plans to sponsor a similar bill next session.

Project Delivery Issues Affecting Transportation

Effort: Excellent; Outcome: Very Good

While project delivery legislation was not prevalent in 2018, there were a couple bills that required significant resources. This included SB 502, Metrolink's sponsor bill to allow CM/GC authority for projects within Metrolink's jurisdiction. As the only county transportation commission to take an oppose position, Platinum was required to convey

the agency's concerns at the bill's initial policy committee meeting, which presented several political risks considering the bill was introduced in the last days of session and was authored by the Senate Appropriations Committee Chair. Platinum was not only able to convince the members of the Assembly Transportation Committee to hold the bill to allow for further discussions, but also the author to take amendments drafted by OCTA. These amendments specifically grant county transportation commissions CM/GC authority for Metrolink projects, the first CM/GC authority authorized for OCTA.

Several outstanding project delivery issues stalled in the Legislature this session, with expectations that they will again be discussed next session after discussions take place with stakeholders in opposition. This includes legislation to allow for public-private partnerships, as proposed by AB 1454 (Bloom, D-Santa Monica) and SB 768 (Allen, D-Santa Monica), and legislation to allow for California Environmental Quality Act streamlining for transportation projects consistent with a sustainable communities strategy, as proposed under AB 1905 (Grayson, D-Concord).

Funding Issues Affecting Transportation

Effort: Excellent; Outcome: Very Good

Transportation funding was again one of the most discussed issues in 2018, with the passage of SB 1 (Chapter 5, Statutes of 2017) last year, providing the most substantial increase in funding transportation has seen in decades. With a proposition on the ballot seeking to repeal SB 1, much of the Legislature's attention was on getting funding out as quickly as possible, while seeking added protections to prevent any inappropriate use of funds. Thus, much of the focus was on the processing of competitive grant applications. Platinum played a critical role in this scope, securing delegation support for OCTA grant applications. This helped lead to the award of almost \$66 million from the Trade Corridor Enhancement Program for the Lambert interchange, a priority project within the county, and the first phase of the State Route 57 Truck Climbing Lane project. In addition, when certain grants were not awarded due to dispute about statutory interpretation, Platinum secured a meeting with Assembly Member Daly (D-Anaheim) and engaged him in the process, which while the grant was not ultimately awarded, allowed additional conversations about the potential need for legislative and/or regulatory clean-up.

In 2018, OCTA continued to see decreases in funding provided by the LTF and sales tax measures, likely due to the increase of online sales and nontaxable goods. The State Auditor report issued in 2017, recommending more equitable distribution of LTF revenues, led to legislation being introduced in 2018. While not successful, Platinum ensured OCTA was at the table throughout the process, including providing testimony at key committee hearings. Platinum was also able to secure meetings with the California Department of Tax and Fee Administration began discussions about how to implement the Supreme Court's *Wayfair* ruling. Next session, both the situs issues and implementation of *Wayfair* are expected to be discussed heavily, and Platinum has already taken steps to allow OCTA to be actively engaged.

Environmental Issues Affecting Transportation

Effort: Excellent; Outcome: Very Good

Paramount among environmental issues addressed in 2018, was OCTA's sponsor bill, SB 1119, which provides transit agencies more flexibility to demonstrate benefits to disadvantaged community residents when using the cap-and-trade funded Low Carbon Transit Operations Program. As detailed before, Platinum did an excellent job in being able to navigate the bill through the Legislature, despite the need to change author's, the opposition brought by the environmental justice community, and a veto request by the California Air Resources Board. In fact, they were able to pass the legislation unanimously through every committee and floor vote. This represents the first major legislative change to addressing how the State makes investments in disadvantaged communities, and presents an opportunity to allow more regional discretion in directing the investments towards the infrastructure demands of that region's most disadvantaged residents.

Alternatively, while there was substantial discussion related to the potential impacts the California Air Resources Board's proposed Innovative Clean Transit regulation would have on transit agencies statewide, legislation attempting to make the regulation less costly failed. Both AB 3021 and SB 1434 would have provided more predictability in funding for transit agencies – the first bill seeking to allow incentive funding throughout the scope of the regulation, and the second bill seeking to provide certainty related to electricity cost. However, strong opposition by the environmental community and electricity providers stalled both bills. This presents the most significant ongoing environmental related issue OCTA will face going into the next legislative session. There are plans to seek the reintroduction of SB 1434 next year, using the groundwork laid this year.

General Services

Effort: Excellent; Outcome: Excellent

Platinum has regularly scheduled meetings with legislators, committee consultants, Administration staff, and staff of various state departments, boards, and commissions to discuss issues of importance to OCTA. Members of the Legislature and the Administration consistently rely on Platinum to discuss and provide recommendations on a number of important transportation issues. Platinum has been responsive to requests by OCTA staff, provided timely information, advice and reports, and provided testimony in legislative committees that accurately reflected Board positions on legislation and policy issues. Platinum also worked on a number of other issues on behalf of OCTA that were not necessarily contained in legislation, including setting up meetings with key staff within the Administration and Legislature, promptly responding to questions from state delegation members, and relaying important information related to appointments by the Governor.

Specifically, this year Platinum arranged meetings with key members of the Legislature and Administration when OCTA visited Sacramento in 2018, in addition to assisting the scheduling of meetings for advocacy trips done in coordination with Mobility 21. This included meetings with California Department of Fee and Tax Administration Director

Nicholas Maduros; Assembly Member Jim Frazier (D-Oakley), Chair of the Assembly Transportation Committee; and meetings with key staff from the Governor's office, California Air Resources Board and California State Transportation Agency. In these meetings, OCTA was able to pursue advance discussions related to its sponsor bill, SB 1119 and resolve inconsistencies in the distribution of local sales tax revenue, while continuing the dialogue related to the proliferation of online sales and the impact on local sales tax measures.

Overall Rating

Effort: Excellent; Outcome: Very Good

Platinum's efforts overall are rated as excellent based on responsiveness, time dedicated to advocating for and advancing of OCTA's positions and policies, timeliness of information, assisting in building cooperative relationships with legislators and members of various state departments, boards, and commissions, and availability. Platinum's outcomes overall are rated as excellent based on the outcomes of the issues discussed.