

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 May 13, 2019 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Vice Chairman Jones 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: Steve Jones, Vice Chairman
 Lisa A. Bartlett
 Doug Chaffee
 Laurie Davies
 Barbara Delgleize
 Andrew Do
 Michael Hennessey
 Gene Hernandez
 Jose F. Moreno
 Joe Muller
 Mark A. Murphy
 Richard Murphy
 Miguel Pulido
 Michelle Steel
 Donald P. Wagner
 Gregory T. Winterbottom
 Ryan Chamberlain, District Director
 California Department of Transportation District 12

Directors Absent: Tim Shaw, Chairman

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
 Members of the Press and the General Public

Special Calendar

Orange County Local Transportation Authority Special Calendar Matters

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

James Donich, General Counsel, opened with comments about the proposed Resolutions of Necessity (RON) process and stated that 12 affirmative votes are needed to pass the RONs.

Jeff Mills, Program Manager for the Interstate 405 (I-405) Improvement Project, provided a PowerPoint presentation for this item as follows:

- I-405 Improvement Project RON Locations;
- RON No. 2019-021 – Tad and Judith Fujita Family Trust and Masami Fujita;
- RON No. 2019-033 – NM 168, LLC; and
- Four Requirements to be Considered to Adopt Resolutions.

Vice Chairman Jones opened the floor for public comments. There were no public comments, and the public hearing was closed.

A motion was made by Director Pulido, seconded by Director Davies, and declared passed by those present, to adopt Resolution of Necessity Nos. 2019-021 and 2019-033, and authorize and direct General Counsel to prepare, commence, and prosecute proceedings 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.

Orange County Local Transportation Authority Special Calendar Matters

2. Proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget

Andrew Oftelie, Chief Financial Officer (CFO), provided opening comments and introduced the Southern California Regional Rail Authority (Metrolink) staff Stephanie Wiggins, Chief Executive Officer (CEO), and Ronnie Campbell, CFO.

Ms. Wiggins provided opening comments, and Mr. Campbell provided a PowerPoint presented the following:

- At the recent Finance and Administration (F&A) Committee meeting, the Tier IV locomotive status was requested and brought forward to the Board of Directors (Board) the status as follows:

2. (Continued)

- 23 are currently on the Metrolink property;
- 10 of the 23 are operating on the lines;
- 13 are being tested for Positive Train Control installation; and
- Summer 2020, the 40 Tier IV locomotives will be operating on the lines.
- FY 20 Budget Priorities;
- FY 20 New Service for the 91/Perris Valley Line;
- FY 20 New Service for the Orange County Line;
- Revenue Allocation by Member Agency;
- FY 20 Proposed Expenditures;
- Expense Allocation by Member Agency;
- Subsidy by Member Agency;
- FY 20 Proposed Rehabilitation Budget;
- FY 20 Proposed New Capital Budget; and
- Timeline – Next Steps.

A discussion ensued regarding:

- The proposed Orange County line additional time slots from Laguna Niguel/Mission Viejo Station to Los Angeles (LA) Union Station are estimated to leave at 9:30 a.m. and arrive in LA before 11:00 a.m., and departure at 3:30 p.m. from LA Union Station to Laguna Niguel/Mission Viejo Station.
- F&A Committee Chairman Hennessey reported that he asked about the Tier IV locomotive status, and Mr. Campbell was thanked for bringing forward to the Board the status.

No action was taken in this information item.

Consent Calendar (Items 3 through 21)

Orange County Transportation Authority Consent Calendar Matters

3. Approval of Minutes

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of April 22, 2019.

Director Pulido was not present to vote on this item.

4. Designation of Applicant's Agent for Federal and State Financial Assistance

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to adopt Resolution No. 2019-019 designating the Chief Executive Officer and Deputy Chief Executive Officer as Orange County Transportation Authority's agents for executing applications for federal and/or state disaster assistance on behalf of the Orange County Transportation Authority.

Director Pulido was not present to vote on this item.

5. Agreement for Magnetic Bus Passes

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Blanket Purchase Order No. C-9-1017 between the Orange County Transportation Authority and Electronic Data Magnetics, Inc., in the amount of \$414,906, to provide magnetic bus passes from July 1, 2019 through June 30, 2023.

Director Pulido was not present to vote on this item.

6. Approval of Fiscal Year 2019-20 Local Transportation Fund Claim for Public Transportation and Community Transit Services

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

- A. Approve the Orange County Transit District Fiscal Year 2019-20 Local Transportation Fund Claim for public transportation services in the amount of \$164,730,028, and for community transit services in the amount of \$8,733,198, for a total claim amount of \$173,463,226.
- B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

Director Pulido was not present to vote on this item.

7. Approval of the Fiscal Year 2019-20 Local Transportation Fund Claim for Laguna Beach Public Transportation Services

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

- A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2019-20 Local Transportation Fund Claim for public transportation services in the amount of \$1,200,732.
- B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

Director Pulido was not present to vote on this item.

8. Third Quarter Fiscal Year 2018-19 Procurement Status Report

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

Director Pulido was not present to vote on this item.

Orange County Transit District Consent Calendar Matters

9. Agreement for Restroom Repair at the Irvine Construction Circle Bus Base

Director Bartlett pulled this item and commented that she did not receive the Committee Transmittal and asked why the original low bidder was deemed non-complainant for the Disadvantaged Business Enterprise (DBE) participation.

Director Bartlett stated that the Board directed staff to review OCTA's DBE policy, due to the OC Streetcar DBE issues, as well as review the California Department of Transportation DBE policy updates and maybe merge the two agencies' DBE policies. Director Bartlett asked which DBE policy pertains to this item's procurement process.

Darrell E. Johnson, CEO, responded that the printed Board agenda packet includes the Committee Transmittal and the Transit Committee passed the item by the Members present.

Mr. Johnson stated the DBE policy will be reviewed after the June 2019 Federal Transit Administration (FTA) triennial review, and staff will bring forward to the Board the FTA's findings about OCTA's DBE policy. Mr. Johnson also stated that the current Board-adopted DBE policy has been in place for several years.

9. (Continued)

Virginia Abadessa, Director of Contracts Administration and Materials Management, stated that the low bidder, Westside Builders Corporation, did not submit DBE participation or good faith efforts and was deemed non-responsive to the DBE participation.

A motion was made by Director Bartlett, seconded by Director Delgleize, and declared passed by those present, to:

- A. Find Westside Builders Corporation, the apparent low bidder, as non-responsive for failure to meet the federal requirement for Disadvantaged Business Enterprise participation.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-2066 between the Orange County Transportation Authority and Reed Family Enterprises, Inc., the lowest responsive, responsible bidder, in the amount of \$210,000, for restroom repairs at the Irvine Construction Circle Bus Base.

Director Pulido was not present to vote on this item.

10. Agreement for Lower Roof Replacement at the Garden Grove Annex Building

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-0971 between the Orange County Transportation Authority and Commercial Roofing Systems, Inc., the lowest responsive, responsible bidder, in the amount of \$67,340, for lower roof replacement at the Garden Grove annex building.

Director Pulido was not present to vote on this item.

11. Agreement for Heating and Ventilation Unit Replacement at the Anaheim Bus Base Maintenance Building

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1038 between the Orange County Transportation Authority and Golden Gate Steel, Inc., dba Golden Gate Construction, the lowest responsive, responsible bidder, in the amount of \$394,031, for heating and ventilation unit replacement at the Anaheim Bus Base maintenance building.

Director Pulido was not present to vote on this item.

12. Agreement for the Fullerton Transportation Center Revitalization

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-0961 between the Orange County Transportation Authority and Thomco Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$759,245, for the Fullerton Transportation Center revitalization.

Director Pulido was not present to vote on this item.

13. Sole Source Agreement for Motorola 800 Megahertz Non-Encrypted Handheld Radio Equipment

A motion was made by Director Davies, seconded by Director Hernandez, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute sole source Purchase Order No. C-9-1300 between the Orange County Transportation Authority and Motorola Solutions, Inc., in the amount of \$115,439, to purchase 27, APX 6000 700/800 Model III non-encrypted handheld radios with accessories included.

Director Pulido was not present to vote on this item.

14. June 2019 Bus Service Change

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

Director Pulido was not present to vote on this item.

Orange County Local Transportation Authority Consent Calendar Matters

15. Approval to Release Request for Proposals for Preliminary Engineering and Environmental Services for the Orange County Maintenance Facility

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

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1143, consultant services for preliminary engineering and environmental services for the Orange County Maintenance Facility.
- B. Approve the release of Request for Proposals 9-1143 for consultant services for preliminary engineering and environmental services for the Orange County Maintenance Facility.

Director Pulido was not present to vote on this item.

16. Amendment to Cooperative Agreement with the California Department of Transportation for the Interstate 5 Widening Project Between State Route 73 and Oso Parkway

Director Bartlett pulled this item and expressed that this item's project will increase public safety, regional mobility, and enhance the area.

A motion was made by Director Bartlett, seconded by Director Delgleize, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-8-1960 between the Orange County Transportation Authority and the California Department of Transportation, to increase construction funding, in the amount of \$9,274,000, for construction of Segment 1 - Interstate 5 widening project between State Route 73 and Oso Parkway. This will increase the maximum obligation of the construction phase of the agreement to a total contract value of \$142,563,000.
- B. Authorize the use of up to \$6,433,000 in Highway Infrastructure Program funds for Segment 1 - Interstate 5 widening project between State Route 73 and Oso Parkway.
- C. Authorize the use of up to \$2,841,000 in Proposition 1B Trade Corridor Improvement Fund project deallocations from the State Route 91 project from Interstate 5 to State Route 57, Tustin Avenue/Rose Drive railroad grade separation, and Orangethorpe Avenue railroad grade separation to Segment 1 - Interstate 5 widening project between State Route 73 and Oso Parkway.
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above recommendations.

Director Pulido was not present to vote on this item.

17. Capital Programs Division - Third Quarter Fiscal Year 2018-19 Capital Action Plan Performance Metrics

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

Director Pulido was not present to vote on this item.

18. Approval to Release Request for Proposals for the Preparation of Plans, Specifications, and Estimates for the State Route 91 Improvement Project Between State Route 55 and Lakeview Avenue

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

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1160 for consultant services for the preparation of plans, specifications, and estimates for the State Route 91 Improvement Project between State Route 55 and Lakeview Avenue.
- B. Approve the release of Request for Proposals 9-1160 for consultant services for the preparation of plans, specifications, and estimates for the State Route 91 Improvement Project between State Route 55 and Lakeview Avenue.

Director Pulido was not present to vote on this item.

19. Cooperative Agreement with the California Department of Transportation for the State Route 91 Improvement Project Between State Route 57 and State Route 55

Staff pulled this item and it will return to a future Regional Planning and Highways Committee and Board meetings.

20. Amendment to Agreement for Additional Design Services for the Interstate 5 Improvement Project from South of Alicia Parkway to El Toro Road

Director Bartlett pulled this item and expressed that this project will provide regional improvements and enhance the area.

A motion was made by Director Bartlett, seconded by Director Delgleize, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-4-1426 between the Orange County Transportation Authority and TRC Solutions, Inc., in the amount of \$617,742, for additional design services for the Interstate 5 improvement project from south of Alicia Parkway to El Toro Road. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$9,187,029.

Director Pulido was not present to vote on this item.

21. Project V - Mission Viejo Route 182 Update

Director Bartlett pulled this item and thanked staff for working with the City of Mission Viejo, as well as provided additional comments.

A motion was made by Director Bartlett, seconded by Director Delgleize, and declared passed by those present, to:

- A. Authorize an extension of Project V funding for the City of Mission Viejo's Route 182 service subject to meeting the required minimum service standard of ten boardings per revenue vehicle hour by June 30, 2020, and the City of Mission Viejo agreeing to take on operations and administration of the service starting by October 2019.
- B. Authorize the Chief Executive Officer to negotiate and execute a new cooperative agreement with the City of Mission of Viejo to implement these changes.
- C. Direct staff to continue reporting on the City of Mission Viejo's Route 182 performance as part of regularly scheduled Project V ridership updates.
- D. Cancel the funding extension, effective no later than August 15, 2020, if the City of Mission Viejo-led revised service fails to achieve the required minimum service standard by June 30, 2020.

Director Pulido was not present to vote on this item.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

22. Measure M2 Eligibility for the City of Stanton

Vice Chairman Jones reported that today's Board agenda Items 22 and 23 pertain to the Measure M2 (M2) eligibility for the cities of Stanton (Stanton) and Santa Ana (Santa Ana), as well as provided other opening comments.

Darrell E. Johnson, CEO, offered that both Board agenda Items 22 and 23 can be presented together and provided opening comments.

Kurt Brotcke, Director of Strategic Planning, introduced Janet Sutter, Executive Director of Internal Audit, and presented both Board agenda Items 22 and 23 as follows:

22. (Continued)

- Provided background on the M2 Ordinance eligibility process.
- The Taxpayer Oversight Committee (TOC) oversees and participates in portions of the eligibility process.
- The TOC has an annual M2 compliance finding hearing scheduled in June 2019.
- The TOC directed OCTA's Internal Auditor to conduct 12 audits of local agencies for fiscal year 2017-18.
- The audit concluded that Stanton and Santa Ana did not meet the established maintenance of effort (MOE) requirements.
- Stanton had MOE expenditures that did not qualify.
- Santa Ana had MOE expenditures that did not qualify.
- In the 29 years' experience of administering Measure M and M2 programs, OCTA has never had an instance of a local jurisdiction being ineligible to receive M2 revenues due to failure to meet the MOE requirements.
- The recommendations for Stanton and Santa Ana were highlighted.

A discussion ensued about Items 22 and 23 as follows:

- M2 Expenditures Audit process:
 - 31 percent of expenditures were audited at the City of Santa Ana;
 - Every year, a sample of cities is selected for audit in consultation with the Audit Subcommittee of the TOC;
 - 100 percent audit is a time intensive process; and
 - Every four to five years each jurisdiction is audited as directed by the Audit Subcommittee of the TOC.
- Charge the cities of Stanton and Santa Ana for the re-audit.
- Stanton had specific MOE expenditures that were disqualified.
- Santa Ana discussions were as follows:
 - The City charged expenditures without documentation;
 - The City had no cost allocation plan, and the plan that could not be found was outdated;
 - Santa Ana's last audit would have been within the window of acceptance of the plan; and
 - Mr. Johnson, CEO, met with the new City Manager about the audit findings.
- Once Stanton and Santa Ana demonstrate compliance, within a specific timeline, their suspended M2 revenues will be released.
- Staff holds an annual meeting for city finance directors to provide information on M2 MOE expenditures and other requirements.
- Director M. Murphy suggested, to ensure a higher level of confidence, auditing Santa Ana at 100 percent.

22. (Continued)

- F&A Committee Chairman Hennessey stated that the F&A Committee wants to give Stanton and Santa Ana an opportunity to demonstrate compliance and ensure the taxpayers that the M2 promises are being kept.
- Directors Hernandez and Moreno requested information on the prior audit of Santa Ana's Local Fair Share funding; specifically, the results of testing of the City's MOE expenditures.
- Each city has its own cost allocation plan and examples were highlighted.
- Director Davies suggested a full re-audit of the City of Santa Ana for two years, and the costs would be covered by the jurisdiction.

For Item 22, a motion was made by Director Hennessey, seconded by Director Do, and declared passed by those present, to:

- A. Find the City of Stanton ineligible to receive net Measure M2 revenues.
- B. Suspend payments to the City of Stanton of net Measure M2 revenues until the City of Stanton can demonstrate compliance with Measure M2 eligibility requirements and the Board of Directors acts to find the City of Stanton an "eligible agency."
- C. Authorize the Chief Executive Officer to execute Amendment No. 5 to Contract No. C-5-3564 with Vavrinek, Trine, Day and Company, LLP to revise the scope of work, add an additional task to apply agreed-upon procedures to assess compliance with maintenance of effort expenditure requirements, extend the agreement through June 30, 2020, and authorize staff to deduct fiscal year 2018-19 audit costs from any future net Measure M2 payments to the City of Stanton.
- D. Increase the City of Stanton's maintenance of effort requirement for fiscal year 2018-19 by the amount of expenditures that were not met as identified in the fiscal year 2017-18 audit.
- E. Authorize the Chief Executive Officer to negotiate and execute a settlement agreement with the City of Stanton to correct and remedy the fiscal year 2017-18 audit issues.

Director Pulido was not present to vote on this item.

23. Measure M2 Eligibility for the City of Santa Ana

The presentation and discussion for this item is noted under today's agenda Item 22.

Director Do offered, for this item, an amendment to the recommendation to require a full audit for fiscal years ending June 30, 2019 and June 30, 2020 to assess full (100 percent) compliance with the MOE expenditure requirements.

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

- A. Find the City of Santa Ana ineligible to receive net Measure M2 revenues.
- B. Suspend payments to the City of Santa Ana of net Measure M2 revenues until the City of Santa Ana can demonstrate compliance with Measure M2 eligibility requirements and the Board of Directors acts to find the City of Santa Ana an "eligible agency."
- C. Authorize the Chief Executive Officer to execute Amendment No. 5 to Contract No. C-5-3564 with Vavrinek, Trine, Day and Company, LLP to revise the scope of work, add a task to apply agreed-upon procedures to the City of Santa Ana for fiscal years ending June 30, 2019 and June 30, 2020 to assess full (100 percent) compliance with maintenance of effort expenditure requirements, and extend the agreement through December 31, 2021, and authorize staff to deduct fiscal year 2018-19 and fiscal year 2019-20 audit costs from any future net Measure M2 payments to the City of Santa Ana.
- D. Increase the City of Santa Ana's maintenance of effort requirement for fiscal year 2018-19 by the amount of expenditures that were not met as identified in the fiscal year 2017-18 audit.
- E. Authorize the Chief Executive Officer to negotiate and execute a settlement agreement with the City of Santa Ana to correct and remedy the fiscal year 2017-18 audit issues.

Director Pulido was not present to vote on this item.

Discussion Items

24. Public Comments

There were no public comments.

25. Chief Executive Officer's Report

Darrell E. Johnson, CEO, reported:

- National Bike Month:
 - Today kicks off national Bike-To-Work Week which is part of National Bike to work month.
 - On Thursday, May 16th, OCTA will host its annual bike ride and rally, from the Orange Metrolink Station to the OCTA Headquarters, starting at 7:30 a.m.
 - Board Members are invited to participate.
- Bus Service Plan Community Hearings:
 - OCTA will host a series of community meetings on the proposed bus service changes for October 2019 and February 2020.
 - The community meetings are set for:
 - Brea Community Center on Tuesday, May 21st at 6:00 p.m.
 - Santa Ana Senior Center on Wednesday, May 22nd at 5:30 p.m.
 - Irvine Lakeview Senior Center on Thursday, May 23rd at 6:00 p.m.
- New College Passes:
 - Fullerton College and Golden West College students will join in OCTA's successful College Pass Program, and the pass will be valid beginning in the fall 2019 semester.
 - Director Winterbottom inquired about the student's pass costs and savings. Mr. Johnson responded that, in general, the cost is approximately \$5 to \$6 per semester, a typical monthly bus pass is \$69 per month, and the pass program is a great opportunity for the students travel options.
- The Board was provided, at the dais, the Engineering News Record (ENR) magazine, and OCTA was chosen by ENR as California's Owner of the Year. In addition, ENR is a leading planning and construction industry publication, and the article about OCTA recognized the I-405 Improvement Project and OC Streetcar Project.

26. Directors' Reports

Director R. Murphy commented that today's discussion for Board agenda Items 22 and 23 was important to ensure to the public that there are discussions, ongoing audits, and oversight of Measure M2.

Director Hernandez thanked staff for a thorough and professional briefing on the proposed FY 2019-20 budget.

27. Closed Session

There were no Closed Sessions scheduled.

28. Orange County Transportation Authority Fiscal Year 2019-20 Budget Workshop

Darrell E. Johnson, CEO, provided opening comments for the proposed FY 2019-20 budget workshop.

Andrew Oftelie, CFO, and Sean Murdock, Director of Finance and Administration, provided a PowerPoint presentation for this item with the following topics:

- Budget Themes;
- Budget Overview;
- Planned Use of Prior Year Designations;
- Budget Sources and Uses;
- Revenues;
- Expenditures;
- Key Expenditures by Fund;
- Total Budget by Program;
- Staff Levels;
- Employee Compensation Assumptions;
- Personnel and Salary Resolutions; and
- Next Steps.

A discussion ensued, and no action was taken as part of this workshop. Staff will note the budget workshop questions and answers, to be provided to the Board Members as a handout at each upcoming committee meeting during the months of May and June 2019.

29. Adjournment

The meeting adjourned at 11:05 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Friday, May 24, 2019**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

Laurena Weinert
Clerk of the Board

Steve Jones
OCTA Vice Chairman