

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 October 28, 2019 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Shaw at 9:04 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: Tim Shaw, Chairman
 Steve Jones, Vice Chairman
 Lisa A. Bartlett
 Barbara Delgleize
 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

Director Absent: Doug Chaffee
 Laurie Davies
 Andrew Do

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 Transportation Authority Special Calendar Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for October 2019

Darrell E. Johnson, Chief Executive Officer (CEO), presented OCTA Resolutions of Appreciation Nos. 2019-080, 2019-081, and 2019-082 to Phillip Nguyen, Coach Operator; Eduardo Ramos, Maintenance; and Neepa Shah, Administration, as Employees of the Month for October 2019.

2. Presentation of the 2019 Orange County Transportation Authority Bus and Maintenance Rodeo Awards

Darrell E. Johnson, CEO, opened with a video of the September 28th OCTA Bus and Maintenance Rodeo event. Mr. Johnson also recognized the Rodeo committee co-chairs Frank Amparan, Bus Operations, and Frank Scholl, Maintenance, for working on the OCTA Rodeo and the American Public Transportation Association (APTA) International Rodeo Committee. Mr. Johnson presented the awards as follows:

Administrative category winners were as follows:

- 3rd place - Logan Selleck, Public Outreach
- 2nd place - Patti Warrick, Marketing
- 1st place - Dustin J. Sifford, Government Relations

Director and Executive category winners were as follows:

- 3rd place - Director Gene Hernandez
- 2nd place - Lance Larson, Executive Director of External Affairs
- 1st place - Ken Phipps, Deputy CEO

Professional category winners were as follows:

- 1st place Bus Operations, Garden Grove Base, had the highest overall score for the Team competition
- 1st place Maintenance Team includes Ray Consiglio, Pat Courchaine, and Chris Jordan
- 1st place Coach Operator was Felipe Michel

Mr. Johnson congratulated the winners, and the professional winners will represent OCTA, in May 2020, at the APTA International Rodeo in San Antonio, Texas.

3. Sacramento Advocate Presentation

Darrell E. Johnson, CEO, provided opening comments and introduced Sacramento advocate Moira Topp of Topp Strategies, LLC, who provided an end of legislative session recap, and an overview of policy issues expected in 2020.

A discussion ensued regarding:

- Sacramento does not have a specific anti-Orange County bias about vehicle miles traveled (VMT) due to OCTA using Measure M2 (M2) and Senate Bill (SB) 1 dollars for freeway improvements, etcetera.
- The Governor's Executive Order about climate change and linking it to SB 1 dollars concerns Speaker Rendon as there are promises made to the voters about SB 1.
- OCTA has concerns that the VMT discussions, in Sacramento, are being done in a vacuum.
- M2 is a balanced program of projects, and OCTA needs to communicate the M2 components to Sacramento.
- Important for OCTA to have a Long-Range Transportation Plan, Comprehensive Business Plan, and include those plans into the Southern California Association of Governments' (SCAG) Regional Transportation Plan.

Consent Calendar (Items 4 through 24)

Darrell E. Johnson, CEO, announced that Consent Item 16 "South County Traffic Relief Effort Update" was always anticipated to be a Regular presentation item, and Item 16 will be heard as part of the Regular Calendar.

Orange County Transportation Authority Consent Calendar Matters

4. Approval of Minutes

A motion was made by Director Hennessey, 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 October 14, 2019.

Director Pulido was not present to vote on this item.

5. Fiscal Year 2019-20 Internal Audit Plan, First Quarter Update

A motion was made by Director Hennessey, seconded by Director M. Murphy, and declared passed by those present, to receive and file the first quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2019-20 Internal Audit Plan as an information item.

Director Pulido was not present to vote on this item.

6. Agreement for Federal Strategic Regulatory and Funding Consulting Services

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

- A. Approve the selection of Cardinal Infrastructure, LLC, as the firm to provide strategic consultation to the Orange County Transportation Authority on federal transportation program development, regulatory, and funding processes.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1360 between the Orange County Transportation Authority and Cardinal Infrastructure, LLC, in the amount of \$318,000, for a two-year term, to provide strategic consultation to the Orange County Transportation Authority on federal transportation program development, regulatory, and funding processes.

Director Pulido was not present to vote on this item.

7. Federal Legislative Status Report

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

Director Pulido was not present to vote on this item.

8. Draft Revisions to Orange County Transportation Authority's 2019-20 State and Federal Legislative Platforms

A motion was made by Director Hennessey, seconded by Director M. Murphy, and declared passed by those present, to authorize staff to integrate the recommended revisions to the Orange County Transportation Authority's 2019-20 State and Federal Legislative Platforms and seek further feedback from the Board of Directors, internal staff, and advisory groups, with subsequent drafts to be brought forward in November for final consideration and adoption.

Director Pulido was not present to vote on this item.

9. Agreement for Transportation Needs Assessment

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

- A. Approve the selection of Moore and Associates, Inc., as the firm to conduct a transportation needs assessment.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1505 between the Orange County Transportation Authority and Moore and Associates, Inc., in the amount of \$426,558, to provide a transportation needs assessment for an 18-month term.

Director Pulido was not present to vote on this item.

10. Fiscal Year 2018-19 Fourth Quarter Budget Status Report

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

Director Pulido was not present to vote on this item.

11. Agreement for Budget and Forecasting Software

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

- A. Approve the selection of Clarity Partners, LLC, as the firm to provide budget and forecasting software.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1083 between the Orange County Transportation Authority and Clarity Partners, LLC, in the amount of \$536,067, for a term of three years with two, two-year option terms to provide budget and forecasting software.

Due to a potential conflict of employment, Director M. Murphy did not participate on this item.

Director Pulido was not present to vote on this item.

12. Third Quarter 2019 Investment and Debt Report

Finance and Administration (F&A) Committee Chairman Hennessey pulled this item and stated that the F&A Committee is responsible for overseeing the investment funds as noted in OCTA's Investment Policy. He asked Andrew Oftelie, Chief Financial Officer (CFO), to highlight the recent violation.

Mr. Oftelie provided an overview of the violation, which was due to MetLife Investment Management (MetLife) purchasing a security that did not comply with OCTA's Investment Policy. Mr. Oftelie stated that MetLife self-reported the violation which is non-complainant with OCTA's Investment Policy, and MetLife has been placed on probation for one year.

F&A Committee Chairman Hennessey stated that the F&A Committee developed a new financial dashboard design that is working well.

OCTA's Investment Policy outlines the violation process as follows:

- First, the investment firm is placed on probation for one year.
- A second violation, within the one-year probation period, the firm would come out and meet in-person with the F&A Committee Chairman to explain what happened and how the firm will ensure it does not happen again.
- A third violation, within the one-year probation period, would come forward to the Board of Directors (Board) as an agenda item, and the firm would be subject to removal from OCTA's pool of investment managers.

A motion was made by Director Hennessey, seconded by Director M. Murphy, and declared passed by those present, to receive and file the Quarterly Debt and Investment Report prepared by the Treasurer as an information item.

13. New York Meetings Update - September 2019

Chairman Shaw pulled this item and highlighted the meetings with the New York rating agencies that he, along with, Vice Chairman Jones, F&A Committee Chairman Hennessey, OCTA staff, and OCTA's consultant from Sperry Capital Inc., attended. Chairman Shaw also highlighted Attachments A and B of the Staff Report.

A discussion ensued regarding:

- There has been no formal follow-up from any of the rating agencies.
- Moody's provides an update of the entire toll industry, with key credit considerations for all the entities they rate.
- The rating agencies use the information provided by OCTA to update the key credit considerations, and OCTA's ratings will come at a future date.

13. (Continued)

- OCTA's 91 Express Lanes has an AA- rating, which is the highest rating for a toll road facility.
- The rating agencies are very complimentary of OCTA's 91 Express Lanes.
- Chairman Shaw requested that when the rating agencies come out for a tour of the 91 Express Lanes, that he would like to join the tour.

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

14. First Quarter Fiscal Year 2019-20 Procurement Status Report

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

Director Pulido was not present to vote on this item.

15. Property Insurance Policy Renewal

A motion was made by Director Hennessey, seconded by Director M. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A44100, in an amount not to exceed \$550,000, to Marsh Risk and Insurance Services, Inc., to purchase property insurance on behalf of the Orange County Transportation Authority for the policy period of December 1, 2019 to December 1, 2020.

Director Pulido was not present to vote on this item.

Orange County Transit District Consent Calendar Matters

17. Amendment to Cooperative Agreement with the City of Anaheim for the Anaheim Canyon Metrolink Rail Station Improvement Project

A motion was made by Director Hennessey, seconded by Director M. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Cooperative Agreement No. C-4-1714 between the Orange County Transportation Authority and the City of Anaheim, to reimburse the Orange County Transportation Authority in the amount of \$40,840, for work to be included in the Anaheim Canyon Metrolink rail station improvement project, and to increase the amount the Orange County Transportation Authority will reimburse the City of Anaheim by an additional \$100,000 for administrative and inspection costs. This will increase the maximum obligation of the cooperative agreement to a total value of \$273,000.

Director Pulido was not present to vote on this item.

18. Approval to Release Request for Proposals for On-Call Architectural and Engineering Design and Construction Support Services for Transit Facility Projects

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

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1599 for the selection of on-call architectural and engineering design and construction support services for transit facility projects.
- B. Approve the release of Request for Proposals 9-1599 for on-call architectural and engineering design and construction support services for transit facility projects.

Director Pulido was not present to vote on this item.

19. State Transit Assistance Fund and Senate Bill 1 State of Good Repair Claims for Fiscal Year 2019-20

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

- A. Adopt Resolution No. 2019-079 to authorize the filing of State Transit Assistance Fund claims, in the amount of revised estimate of \$38,396,928, or up to the actual allocation published by the State Controller's Office, to support public transportation.
- B. Authorize the filing of Senate Bill 1 State of Good Repair claims, in the amount of the revised estimate of \$5,933,032, or up to the actual allocation published by the State Controller's Office, to help sustain and upgrade the Orange County Transportation Authority's bus system.

Director Pulido was not present to vote on this item.

Orange County Local Transportation Authority Consent Calendar Matters

20. Contract Change Order for Additional Railroad Flagging Allowance for the Laguna Niguel to San Juan Capistrano Passing Siding Project

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

- A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 2 to Agreement No. C-7-2018 with Reyes Construction, Inc., in the amount of \$2,300,000, to increase the allowance budget for railroad flagging for the Laguna Niguel to San Juan Capistrano Passing Siding Project.
- B. Authorize the use of \$2,300,000 in federal Congestion Mitigation and Air Quality Improvement Program funds.
- C. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute any necessary agreements and/or amendments to facilitate associated programming actions.

Director Pulido was not present to vote on this item.

21. Amendment to Agreement for the Design of the OC Streetcar Project

A motion was made by Director Hennessey, seconded by Director M. Murphy, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-5-3337 between the Orange County Transportation Authority and HNTB Corporation, in the amount of \$1,500,000, and to extend the agreement term by 26 months through February 28, 2022, for continuation of OC Streetcar project design support services during construction. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$20,683,841.

Directors Steel and Wagner voted in opposition of this item.

Director Pulido was not present to vote on this item.

22. Consultant Selection to Provide Preliminary Engineering and Environmental Services for the Orange County Maintenance Facility

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

- A. Approve the selection of Gannett Fleming, Inc., as the firm to provide preliminary engineering and environmental services for the Orange County Maintenance Facility.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1143 between the Orange County Transportation Authority and Gannett Fleming, Inc., for preliminary engineering and environmental services for the Orange County Maintenance Facility.

Director Pulido was not present to vote on this item.

23. Approval to Release Request for Proposals for Continuing Public Outreach for the Interstate 405 Improvement Project

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

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1571 to provide public outreach consulting services for the Interstate 405 Improvement Project between State Route 73 and Interstate 605.
- B. Approve the release of Request for Proposals 9-1571 to select a firm to provide public outreach consulting services for the Interstate 405 Improvement Project between State Route 73 and Interstate 605 for a four-year initial term with an option term of up to 24 months.

Director Pulido was not present to vote on this item.

24. 2019 Measure M2 Sales Tax Forecast

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

Director Pulido was not present to vote on this item.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

25. Measure M2 Next 10 Plan: Market Conditions Key Indicators Analysis and Forecast

Tami Warren, M2 Manager, Program Management Office, provided opening comments and introduced Dr. Wallace Walrod, Chief Economic Adviser, Orange County Business Council (OCBC) and SCAG, and Dr. Marlon Boarnet, Professor and Chair of the Department of Urban Planning and Spatial Analysis at the Sol Price School of Public Policy at the University of Southern California.

Dr. Walrod and Dr. Boarnet co-presented the PowerPoint presentation as follows:

- OCTA Infrastructure Construction Cost Index (CCI) Model Components;
- Three-Year Moving Average of Year-Over-Year Percent Change in California Department of Transportation (Caltrans) CCI and Building Permits;
- Three-Year Moving Average of Year-Over-Year Percent Change in Caltrans CCI and California Unemployment Rates;
- Forecast and Range of OCTA Infrastructure Cost Increases by Index Value;
- Cost Pressures Are Mixed;
- OCBC Infrastructure Construction Cost Forecast; and
- Orange County's Construction Workforce: Labor Market Flows.

A discussion ensued regarding:

- The 2019 California building permits have decreased and will take several years to increase.
- Riverside and San Bernardino counties are not having the same issues as Orange County with attracting the construction workforce.
- The decrease in construction labor in Orange County is due to:
 - The 2008 Great Recession, and many of the workforce moved to other places or other industries.
 - Not enough affordable workforce housing.
 - The long distance commute to Orange County.
- Potential recession in one to two years.
- The current housing market and economy is interest-rate sensitive, and the federal reserve is monitoring to not go into a recession.

25. (Continued)

- An example was provided on how the Sonoma County wine industry considers economic factors, and within the next several years, the wine industry plans to reduce 50 percent of the wine production.
- City of Santa Ana meets the affordable housing and workforce balance, and Director Pulido asked going forward review of the City of Santa Ana's housing capacity.
- Retail properties are starting to develop housing.
- OCTA uses MuniServices and the three universities blended sales tax revenues forecasting to determine a strategic plan for the M2 projects.
- Next month, the Board will be presented the M2 Next 10 Delivery Plan.
- Cities and developers have advised OCTA, in advance, of future developments.
- OCTA also receives development information through the amended general plans, notices of environmental documents, etcetera.
- At a recent Association of California Cities – Orange County housing forum, an example was given that the Island of Manhattan was built out 120 years ago, and currently there is \$70 billion in construction activities in Manhattan.

A motion was made by Director Delgleize, seconded by Director Moreno, and declared passed by those present, to continue to monitor market conditions and their effects on the advancement of the Next 10 Delivery Plan and provide updates to the Board of Directors as appropriate.

Directors Steel and Winterbottom were not present to vote on this item.

16. South County Traffic Relief Effort Update

Darrell E. Johnson, CEO, provided opening comments and introduced Kurt Brotcke, Director of Strategic Planning, who provided the PowerPoint presentation as follows:

- Background;
- Implemented/Planned Projects and Services;
- Transportation Corridor Agencies (TCA): South County Traffic Relief Effort – Project Study Report – Project Development Support;
- Conflicts with Current & Planned Projects (Areas A, B, C, and D);
- New Concepts:
 - Draft Alternative 22,
 - Draft Alternative 23;
- TCA: South County Traffic Relief Effort – Scoping; and
- Next Steps.

16. (Continued)

Public comments were heard from the following:

1. Council Member Ward, City of San Clemente, stated the following:
 - Since 2015, she has been a Member of the Foothill/Eastern TCA Board, and TCA staff told the TCA Board that staff was working collaboratively with its transportation partners, which is now known not to be true.
 - In 2015, TCA initiated a campaign, designed by its consultants, to further along a project without Board scrutiny.
 - She agendized for discussion the TCA Board to review and discuss the TCA's joint powers authority (JPA) and gave background on how it was not discussed.
 - In 2016, the TCA revoked approval of the Green Alignment.
 - In 2016, she felt it was premature for TCA staff to ask the Board to initiate the south Orange County mobility, environmental review, and preliminary engineering process.
 - For the last two years, TCA engaged in the stakeholder process with 16 identified transportation alternatives. Now, there are 21 alternatives not approved by the TCA Board, which violates TCA's legislative mandate, as well as stated other concerns.
 - OCTA has completed projects to help solve mobility issues throughout the region.
 - Nowhere in the TCA charter or legislation is the TCA allowed to do anything on the Interstate 5 (I-5).
 - There needs to be open discussions about the issues instead of TCA and Caltrans working in secret.
 - TCA has proceeded with the process through contract amendments.
2. Scott Smith, City Attorney for the City of San Clemente, stated the following:
 - TCA was created by statute and a JPA to build two toll roads.
 - TCA created the south Orange County traffic relief effort catchall, which has inconsistencies with the long-term master planning and public funding of infrastructures already underway.
 - TCA's plans are to develop a suburban freeway through the middle of San Clemente on Los Patrones Parkway, which is as an arterial in the County of Orange's master plan.
 - Tolling Los Patrones Parkway would have a negative impact, and San Clemente has concerns with the legality of what is proposed in the pending environmental document.

16. (Continued)

- Caltrans would like to see:
 - TCA's proposed changes because it diverts state money to other things.
 - Developer impact fees, M2, and other local funds to pay for infrastructure that otherwise ought to be paid for by Caltrans.

A very lengthy discussion ensued regarding:

- In 2016, OCTA began studying the south Orange County high-occupancy vehicle (HOV) lanes extension to the San Diego County line, and, thus far, \$625,000 has been spent.
- For draft Alternative 23, OCTA's HOV lanes extension study could be reused for a single lane alternative. If a high-occupancy toll (HOT) lane is introduced, the study would need to be redone.
- Alternatives 11 and 12 are proposed to create HOT lanes on I-5.
- The M2 project on I-5 from El Toro Road to State Route (SR) 73 is in the right-of-way acquisition process. A portion of this project would extend the HOV lanes to the SR-73 and widen most of the general-purpose lanes.

Director Muller stated the following:

- When he arrived on the OCTA Board, the communication between OCTA and TCA was not great.
- There is an opportunity for OCTA and TCA to discuss all the impacts of this item's study.
- Concerned about:
 - M2 funds that have been expended and potentially going back and repurposed for something else;
 - Impacts to other agencies; and
 - Agencies competing environmental documents.
- Have the agencies come together for one study that the taxpayers pay for onetime.
- Felt these discussions should have been completed prior to the studies.
- OCTA, TCA, and Caltrans staff need to have a deeper discussion on the impacts to each agency.
- Gave an example of the SR-241/91 Express Lanes project and that OCTA, TCA, Caltrans, and the Riverside County Transportation Commission met and discussed a mutual draft term sheet.

16. (Continued)

Mr. Johnson, CEO, stated the following:

- The M2 project is six miles, with three construction segments, on I-5 from the El Toro Road and SR-73:
 - All three segments were environmental cleared approximately five years ago;
 - One segment is under construction;
 - On OCTA's behalf, about two weeks ago, Caltrans invitation for bids for the second segment where advertised; and
 - Before this item's study environmental document is completed, in 2025, the construction for the all three segments will be completed.
 - Concerns about this M2 project that was approved by the voters, Caltrans, and OCTA Board.
- The Interstate 405 Improvement Project HOV lanes is a non-funded M2 project.
- TCA and Caltrans south County study efforts are premature.
- Attachment A of the Staff Report is the March 2, 2017 OCTA letter to Michael Kraman, CEO of the TCA, to not interfere with M2.
- Concerned about M2 highways investments not generating the type of improvements OCTA promised the voters.
- If M2 needs to be revised, there is a formal process for the changes.
- The SR-241/91Express Lanes project was a different issue.
- OCTA has a good working relationship with Caltrans.
- OCTA Board direction is to work on the Avenida Pico HOV lanes extension to the San Diego County line with potential construction in May 2025, and OCTA has prepared a full funding plan to bring forward to the Board.
- In December 2019, the Regional Planning and Highways Committee and full Board will be presented a network phasing strategy about opportunities for future pricing, and Caltrans discussions will be included in the strategy.

A comment was heard from Michael Kraman, CEO of the TCA, as follows:

- Agrees with what is being discussed today.
- Excited about the TCA scoping phase of the environmental review process.
- TCA Board directed TCA staff to resolve these types of issues mentioned in the scoping phase which will occur prior to the technical studies and draft documents.
- Caltrans is the lead agency, with TCA as the sponsoring agency.
- TCA respects M2 and very much appreciates the working relationship, at the staff level, that is being developed for this study.

16. (Continued)

- TCA is on record with a letter to OCTA with assurance that TCA will not move forward without OCTA's concurrence in the I-5 corridor where there are M2 projects.
- TCA has an Executive Oversight Committee for this item's project that consist of Caltrans, County of Orange, OCTA, and TCA.
- This item's project development team includes the cities and agencies technical staff, as well as the City Manager Working Group.

Chairman Shaw referenced the following:

- Area A, on Slide 5 of the PowerPoint, and provided concerns about converting M2-funded HOV lanes to HOT lanes, as the conversion violates the voters trust in OCTA.

Director Hennessey stated the following:

- Asked for clarification that the TCA wants to toll the general-purpose lanes, and OCTA staff clarified the following:
 - TCA does not want to toll the general-purpose lanes, and
 - Area C, on Slide 6 of the PowerPoint, was a HOV lane M2 project, opened to traffic in 2018, and the TCA proposes to convert it to HOT lanes with additional widening as one of the alternatives.
- Concerned about the issues with the competing agencies studies.
- SCAG is the Metropolitan Planning Organization (MPO) and below the MPO are regional planning agencies.
- There is a lack of clarity because OCTA is Orange County's planning agency; yet, Caltrans is accepting highway studies from TCA.
- Requested that Mr. Johnson, CEO, Director Chamberlain, and Legislative and Communications Committee Chair Davies meet with David Kim, Secretary of California State Transportation, and Toks Omishakin, Director of Caltrans, to seek counsel on the roles and responsibilities of what OCTA and TCA should be planning.
- Concerns when Caltrans goes outside of the regional planning agency for project partnership.

Director Chamberlain stated the following:

- The reason why Caltrans is allowing two studies, in the same corridor at the same, is because one study is more comprehensive and broader than the other. He explained the differences with the two different studies, and there is no throwaway and bait and switch.
- Caltrans will also be embarking on OCTA's study.
- There are times when OCTA and Caltrans does not agree on a path forward; however, Caltrans, OCTA, and TCA staff are talking on a regular basis about M2 commitments, etcetera.

16. (Continued)

- TCA's sponsored environmental document will include the HOV lanes component from Avenida Pico to the San Diego County line which is 100 percent paid for with non-taxpayers' money.
- OCTA's Avenida Pico to the San Diego County line study is a smaller subset alternative to the TCA study.
- There are inefficiencies with using M2 funds and having TCA pay for a study that may end up being a part of the preferred alternative.
- Caltrans also stated the following:
 - Believes that the most appropriate path forward is to review a holistic and comprehensive set of alternatives for congestion relief in south Orange County.
 - Is the owner operator of the state highway system and has legal authority to convert HOV lanes to HOT lanes irrespective of what funds were used to construct the HOV lanes.
 - A conversion from HOV lanes to HOT lanes would not be done without discussing with OCTA and other parties.
 - There are federal statutes that the HOV lanes performance are to operate at 45 miles per hour or higher or the federal government can sanction Caltrans from receiving federal transportation revenue.
 - There are incentives for 3+ passenger vehicles to drive free in a toll lane.
 - Pricing is an avenue that is being reviewed to move people, goods, and services more efficiently in the regions.
- OCTA has been engaged with Caltrans' managed lane network study and managed lane feasibility study, which were presented to OCTA staff.
- Caltrans will engage with any entity that wants to propose improvements on the state highway system that includes adding lanes and looking at HOV lanes and HOT lanes capacity.

Director Hernandez stated the following:

- Asked for clarification if HOV lanes are less efficient than HOT lanes. Mr. Johnson clarified that HOV lanes can be less efficient in a very urban area.
- The overall authority is Caltrans; however, as elected officials in Orange County, the challenge is to review moving traffic more efficiently and to save the taxpayers' dollars.
- The taxpayers have paid for the highways and a conversion to HOT lanes means that the taxpayer is paying more.
- Concerned for the Orange County taxpayers.

16. (Continued)

Director Wagner stated the following:

- Clarified that there are tax dollars at work instead of no tax dollars. There may be developers fees that end up getting reflected in the cost of the project paid for by the taxpayer, etcetera.
- He appreciated Director Chamberlain stating clear markers as to Caltrans' authority, and there needs to be closer OCTA and TCA cooperation at all levels.
- When going to the State, there needs to be a cooperative approach between all the agencies.

Slide 10 of the PowerPoint next steps were reiterated.

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

Orange County Transportation Authority Regular Calendar Matters

26. Framework for Implementation of the State Route 241/91 Express Lanes Connector

Darrell E. Johnson, CEO, presented this item and highlighted the SR-91 term sheet and SR-91 projects sequencing priorities noted in Attachment C of the Staff Report.

A discussion ensued regarding:

- The SR-91 westbound lane project cannot be done at the same time as the SR-241/91 Express Lanes Connector because Projects 1 and 2 in Attachment C of the Staff Report need to be completed first.
- The term sheet and SR-91 projects sequencing are great examples of how to remedy concerns with the all the agencies involved, as well as ensures that the tax dollars are best being managed.

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

- A. Approve the State Route 241/91 Express Lanes Connector term sheet as a framework for future agreements, contingent on all parties agreeing to the term sheet.
- B. Direct staff to work with agencies to prepare associated agreements for Board of Directors' consideration, consistent with the terms included in this report.

Director R. Murphy abstained on this item.

Directors Moreno and Steel were not present to vote on this item.

Discussion Items

27. Public Comments

There were no Public Comments received.

28. Chief Executive Officer's Report

Darrell E. Johnson, CEO, reported the following:

25th Annual Economic Forecast:

- On October 30th, California State University, Fullerton (CSUF) and OCBC are hosting their 25th Annual Economic Forecast Conference.
- CSUF economic sales tax forecasting, along with other universities, are used by OCTA for the planning of M2 projects.
- Mr. Johnson, along with, Andrew Oftelie, CFO, and Directors Bartlett, Davies, Hernandez, and R. Murphy will be attending the conference.

APTA:

- Earlier this month, Mr. Johnson attended APTA's Annual Conference in New York.
- Next year, the APTA Annual Meeting and Expo will be held in Orange County. The Expo only takes place every three years, and OCTA expects approximately 15,000 attendees and 800 exhibitors.
- The 2020 APTA Conference and Expo promotional video was shown to the Board and audience. Additionally, the video was shown at the APTA Conference in New York.

29. Directors' Reports

Director R. Murphy requested a meeting with Mr. Johnson, CEO, about today's Board agenda Item 16, to discuss the City of San Clemente's concerns, and OCTA's and Caltrans' relationship with the TCA.

Director Delgleize thanked the Board for today's vibrant discussions.

Director Winterbottom inquired as to when the APTA promotional video was completed. Mr. Johnson, CEO, stated that the video was finalized approximately six months ago.

29. (Continued)

Chairman Shaw reported on the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN) activities as follows:

- He, along with, Al Murray, Chairman of the LOSSAN Board, are the LOSSAN Board Orange County representatives, and last Monday, the Board met in Oxnard.
- The LOSSAN Board voted and approved the 2020 Board/Committee calendar and advanced the negotiations with Amtrak for the federal fiscal year 2020 operating agreement.
- On October 14th, the Pacific Surfliner launched a 13th round trip between Los Angeles and San Diego, as well as highlighted the timeslots and average ridership for the first two weeks of operation.

30. Closed Session

A Closed Session was held as follows:

Pursuant to Government Code Section 54956.9(a) – Conference with General Counsel – Existing Litigation; Elibir Ramos Urena aka Elivier Ramos v. Orange County Transportation Authority – OCSC No. 30-2017-00957255.

Directors Moreno, Pulido, and Steel were not present for the Closed Session item.

There was no report out on the Closed Session item.

31. Adjournment

The meeting adjourned at 11:48 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, November 11, 2019**, at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

ATTEST:

Laurena Weinert
Clerk of the Board

Tim Shaw
Chairman