

# MINUTES

## *Board of Directors' Meeting*

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### **Call to Order**

The Monday, June 14, 2021, regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairman Do at 9:01 a.m. at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

### **Roll Call**

The Deputy Clerk of the Board (DCOB) conducted an attendance Roll Call and announced a quorum of the Board of Directors (Board) as follows:

**Via Teleconference:** Andrew Do, Chairman  
Mark A. Murphy, Vice Chairman  
Lisa A. Bartlett  
Doug Chaffee  
Barbara Delgleize  
Katrina Foley  
Brian Goodell  
Patrick Harper  
Michael Hennessey  
Gene Hernandez  
Steve Jones  
Joseph Muller  
Tam Nguyen  
Vicente Sarmiento  
Tim Shaw  
Harry S. Sidhu  
Donald P. Wagner  
Ryan Chamberlain, District Director – Caltrans District 12

**Directors Absent:** None

**Staff Present:** Jennifer L. Bergener, Deputy Chief Executive Officer  
Gina Ramirez, Deputy Clerk of the Board  
Sahara Meisenheimer, Deputy Clerk of the Board

**Via Teleconference:** Darrell E. Johnson, Chief Executive Officer  
James Donich, General Counsel

## **Invocation**

Director Hennessey gave the invocation.

## **Pledge of Allegiance**

Director Sarmiento led the Pledge of Allegiance.

Due to technical difficulties with Item 1, Chairman Do introduced Item 30 before the Special Calendar.

### **30. California Transportation Plan 2050**

Darrell E. Johnson, Chief Executive Officer (CEO), introduced Jeanie Ward-Waller, Deputy Director for Planning & Modal Programs at the California Department of Transportation (Caltrans). He stated that Ms. Ward-Waller would present the California Transportation Plan (CTP) 2050 and allow the Board to share ideas about how OCTA and Caltrans can collaborate moving forward.

Ms. Ward-Waller provided a PowerPoint presentation on the California Transportation Plan 2050.

A discussion ensued regarding:

- The baseline assumption on the high-speed rail business plan;
- Planning for all the counties and cities within the projects;
- Challenges for Orange County is the development of transportation into more dense areas, and OCTA is doing what they can to make improvements;
- Transportation agencies do not have authority over the land use, so there will have to be a partnership with local agencies, and;
- Slide eight of the PowerPoint presentation and the greenhouse gas emissions reductions and the target for transportation from 2015-2050.

## **Special Calendar**

### **1. Public Hearing on Orange County Transportation Authority's Fiscal Year 2021-22 Budget and Personnel and Salary Resolution**

*(A verbatim transcript of this public hearing is on file in the Clerk of the Board's office.)*

Darrell E. Johnson, CEO, provided opening comments and introduced Andrew Oftelie, Chief Financial Officer (CFO), who provided a PowerPoint presentation

**1. (Continued)**

A discussion ensued regarding:

- Director Bartlett stated the Board appreciates staff stepping up to forego the increases during the coronavirus pandemic, considering the financial uncertainties. She agrees with what is being proposed and appreciates the openness and transparency relative to the sole source listing.
- Director Hennessey acknowledged Mr. Johnson, CEO, Andy Oftelie, CFO, and the staff who produced a great budget and supported the proposed budget.
- Director Hennessey also stated to the Board that using a three percent revenue increase in the budget is conservative, and after hearing from economists, it is becoming more conservative. OCTA has received anticipated increases of nine and 10 percent. In addition, OCTA is still hitting all of the projects and not taking on excess debt.

The DCOB read into the record notifications to inform the public and local agencies of today's public hearing.

Chairman Do opened the public hearing for public comments and, with no public comments received, closed the public hearing.

Director Delgleize stated that every year OCTA staff makes the budget so understandable, and it has helped her on other Boards.

Director Sarmiento commented that he appreciates all the time staff took to explain the budget and requested to have the hindsight of where improvements and underestimates were made

Director Foley echoed the sentiments of her colleagues. She stated that the staff has been accommodating in answering all her questions. She also inquired if staff budgeted for salary negotiations with Coach Operators.

Mr. Oftelie responded that three collective bargaining agreements are in place, including one for the Coach Operators. He stated that what staff has included in the budget for next year is consistent with the parameters that the Board approves and is based on the Consumer Price Index, which is three percent.

Director Bartlett inquired if her comments would be included as part of the public hearing. Chairman Do confirmed her comments would be included in the public hearing.

**1. (Continued)**

Mr. Johnson, CEO, thanked the Board for all the positive comments on how the staff managed and developed the budget through the pandemic.

Mr. Johnson, CEO, noted that staff developed a look back called “managing through the recession in the past.” The staff has already begun looking at something very similar called “working through the pandemic.” This lookback will include everything from finances to communications to the management of OCTA staff.

A motion was made by Director Hennessey, seconded by Director Delgleize, and following a roll call vote, declared passed 16-0 to:

- A. Approve by Resolution the Orange County Transportation Authority's Fiscal Year 2021-22 Budget.
- B. Approve the Personnel and Salary Resolution for the fiscal year 2021-22.
- C. Authorize the Chief Executive Officer or his designee to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- D. Approve the fiscal year 2021-22 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, operating subsidy, in an amount up to \$39,152,549, including authorization of federal supplemental funding, in an amount up to \$39,152,549, to be drawn down directly by the Southern California Regional Rail Authority. In addition, approve the capital and rehabilitation expenditure budget contingent upon all member agencies' approval of their respective capital and rehabilitation budgets. The Orange County Transportation Authority's portion of the costs for capital is \$118,800 and \$15,047,906 for rehabilitation.

Director Wagner was not present to vote on this item.

**Consent Calendar (Items 2 through 26)**

**2. Approval of Minutes**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of May 24, 2021.

Director Wagner was not present to vote on this item.

**3. Communications by Independent Financial Statement Auditor**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**4. Coronavirus Update**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**5. Amendment to Cooperative Agreement with the County of Orange, Orange County Sheriff's Department**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-0-2330 between the Orange County Transportation Authority and County of Orange, Orange County Sheriff's Department, in the amount of \$11,133,059, for Transit Police Services, effective July 1, 2021 through June 30, 2022. This will increase the maximum obligation of the agreement to a total contract value of \$21,739,395.

Director Wagner was not present to vote on this item.

**6. Agreement for System Security Program Review and Update**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Approve the selection of ADS System Safety Consulting, LLC, as the firm to provide consulting services to review and update the Security Program.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2729 between the Orange County Transportation Authority and ADS System Safety Consulting, LLC in the amount of \$345,692 to provide consulting services to review and update the current security program.

Director Wagner was not present to vote on this item.

**7. 91 Express Lanes Update for the Period Ending - March 31, 2021**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this it

**8. Orange County Transportation Authority Investment and Debt Programs Report - April 2021**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**9. Annual Update to Investment Policy**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Adopt the Fiscal Year 2021-22 Investment Policy July 1, 2021.
- B. Authorize the Treasurer, Chief Financial Officer Andrew Oftelie, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2021-22.

Director Wagner was not present to vote on this item.

**10. Federal Transit Administration Program of Projects for Federal Fiscal Year 2020-21, Federal Coronavirus, Response and Relief Supplemental Appropriations Act of 2021 and American Rescue Plan Act of 2021 Transit Funding**

Director Bartlett thanked OCTA staff for keeping on top of the project and working collaboratively with the City of San Juan Capistrano. The San Juan Creek bridge is over a hundred years old, and she is glad that funds are getting expanded and that the project is moving forward.

**10. (Continued)**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Approve the federal fiscal year 2020-21 Federal Transit Administration Section 5307 Urbanized Area Formula, Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5337 State of Good Repair, and Section 5339 Bus and Bus Facilities Program of projects, including federal and local funds, and the use of match credit for projects included in this report.
- B. Approve the five-year programming plans for Federal Transit Administration Sections 5307, 5310, 5337, and 5339.
- C. Authorize the acceptance and use of \$1.207 million in Federal Transit Administration Section 5339 Bus and Bus Facilities Competitive Program funds and \$0.386 million of local match funds for rehabilitation and renovation projects at the Orange County Transportation Authority bus facilities.
- D. Authorize the use of \$43.489 million in Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (Public Law 116-260) funds and \$186.658 million in American Rescue Plan Act of 2021 (Public Law 117-2) funds for bus and rail operating expenses.
- E. Authorize staff to adjust individual project funding consistent with final apportionments and eligibility determinations through the Fixing America's Surface Transportation Act, and direct staff to include updated numbers in grant and programming status reports.
- F. Authorize the Chief Executive Officer to submit the Federal Transit Administration grant applications required for the recommendations above to the Federal Transit Administration.
- G. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

Director Wagner was not present to vote on this item.

**11. Draft 2021 State Route 91 Implementation Plan**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**12. Consultant Selection for the Freeway Chokepoint Improvement Study**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Approve the selection of Kittelson and Associates, Inc., as the firm to provide consulting services to conduct the Freeway Chokepoint Improvement Study.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-1-3346 between the Orange County Transportation Authority and Kittelson and Associates, Inc., in the amount of \$297,337, to provide consulting services to conduct the Freeway Chokepoint Improvement Study.

Director Wagner was not present to vote on this item.

**13. Programming Recommendations for Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and Mid-Cycle State Transportation Improvement Program**

Director Bartlett thanked OCTA staff for the Ortega widening project. She stated this is one of the significant three-pronged projects for the south county. First, the \$800,000 State Transportation Improvement Program funds will be utilized here and will widen the 1.1-mile pinch point on the State Route 74 Ortega Highway.

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Approve the 2021 mid-cycle State Transportation Improvement Program submittal to program Coronavirus Response and Relief Supplemental Appropriations Act of 2021 for the following:
  - \$800,000 for the State Route 74 Ortega Highway Improvement Project, and
  - \$588,506 for planning, programming, and monitoring.
- B. Authorize staff to make all necessary amendments to the State Transportation Improvement Program and the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the recommendations above.

Director Wagner was not present to vote on this item.



**14. Active Transportation Program Biannual Update**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**15. Transportation Control Measures - Substitute Program of Projects**

Chairman Do stated that an error was found in the recommendations. Instead of the recommendations listed as A and C, they should have been listed as A and B.

Director Bartlett thanked OCTA staff for stepping up and working cooperatively with the Transportation Corridor Agencies (TCA). Since the TCA could not comply with the Southern California Association of Governments timeline requirements, she stated that OCTA used some arterial projects to replace the transportation control measures. As a result, OCTA helped the TCA save \$11 million.

A motion was made by Director Hernandez, seconded by Vice Chair Murphy, and following a roll call vote, declared passed 16-0 to:

- A. Direct staff to work with the Southern California Association of Governments to replace the previously planned projects in the Federal Transportation Improvement Program with the substitute program of projects included in this report.
- B. Authorize the Chief Executive Officer, or his designee, to negotiate and execute a cooperative agreement with the Transportation Corridor Agencies for improvements on existing toll facilities.

Director Wagner was not present to vote on this item.

**16. Department of Motor Vehicles Employer Pull Notice Program**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to direct staff to implement three recommendations provided in the Department of Motor Vehicles Employer Pull Notice Program, Internal Audit Report No. 21-508.

Director Wagner was not present to vote on this item.

**17. Award of Agreement for the Purchase of Battery Chargers for 40-Foot Plug-In Battery-Electric Buses**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Find La Marche Manufacturing Co. and Siemens Industry Inc., the apparent low bidders, as non-responsive for failure to bid on approved equipment that meets the technical specifications as identified in the invitations for bid.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2731 between the Orange County Transportation Authority and One Source Distributors, in the amount of \$863,079, to provide ten battery chargers for 40-foot plug-in battery-electric buses.

Director Wagner was not present to vote on this item.

**18. Amendment to Agreement for 40-Foot Compressed Natural Gas-Powered Buses**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-9-1836 between the Orange County Transportation Authority and GILLIG LLC, in the amount of \$1,486,105, for configuration changes on up to 165, 40-foot compressed natural gas-powered buses with an option to purchase up to 134 additional buses. This will increase the maximum obligation of the agreement to a total contract value of \$101,857,705.

Director Wagner was not present to vote on this item.

**19. Amendment to the Agreement with First Transit, Inc., for the Provision of Contracted Fixed-Route Service**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to authorize the Chief Executive Officer to negotiate and execute Amendment No. 14 to Agreement No. C-4-1737 between the Orange County Transportation Authority and First Transit, Inc., in the amount of \$69,714,520, to exercise the second two-year option term to provide contracted fixed-route services through May 31, 2023, with adjustment of the end date to June 10, 2023, and permit reimbursement of First Transit, Inc. expenses related to maintaining a state of readiness and eligible for federal funding at amounts not to exceed \$5,000,000 for the first and \$3,000,000 for the second year of the option term, increasing the maximum obligation of the agreement to a total contract value of \$315,856,805.

**19. (Continued)**

Director Wagner was not present to vote on this item.

**20. Joint Agreement with the County of Orange for the Operation, Maintenance, and Financial Management of the Orange County 800 Megahertz Countywide Coordinated Communications System**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-1-3535 between the Orange County Transportation Authority and the County of Orange, in the amount of \$90,315, to share in the cost of the operation, maintenance, and repair of the Orange County Transportation Authority equipment used on the system, equipment replacement, and financial management of the Countywide Coordinated Communications System for fiscal year 2021-22. Amendments for each subsequent fiscal year budget will be brought forth to the Board of Directors for consideration on an annual basis.

Director Wagner was not present to vote on this item.

**21. Amendments to Cooperative Agreements with Special Agencies for the Provision of Transportation Services**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0, to:

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No C-8-1917 between the Orange County Transportation Authority and North County Senior Services, LLC, doing business as Acacia Adult Day Services, for continued services and to adjust the per trip rate to \$16.55, effective July 1, 2021 through June 30, 2022. This increase in rate will not change the current contract maximum obligation of \$1,302,621 due to sufficient underruns that cover the projected expenses due to the coronavirus pandemic.
- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1918 between the Orange County Transportation Authority and Alzheimer's Family Center for continued services and to adjust the per trip rate to \$16.55, effective July 1, 2021 through June 30, 2022. This increase in rate will not change the current contract maximum obligation of \$1,343,599 due to sufficient underruns that cover the projected expenses due to the coronavirus pandemic.

**21. (Continued)**

- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1919 between the Orange County Transportation Authority and Alzheimer's Orange County for continued services and to adjust the per trip rate to \$16.55, effective July 1, 2021 through June 30, 2022. This increase in rate will not change the current contract maximum obligation of \$566,323, due to sufficient underruns that cover the projected expenses due to the coronavirus pandemic.
- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1920 between the Orange County Transportation Authority and Community SeniorServ, doing business as Meals on Wheels Orange County, for continued services and to adjust the per trip rate to \$16.55, effective July 1, 2021 through June 30, 2022. This increase in rate will not change the current contract maximum obligation of \$1,362,793, due to sufficient underruns that cover the projected expenses due to the coronavirus pandemic.
- E. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1921 between the Orange County Transportation Authority and Orange County Adult Achievement Center, doing business as My Day Counts, for continued services and to adjust the per trip rate to \$16.18, and the Regional Center of Orange County pass-through per trip rate to \$6.18, for continued services effective July 1, 2021 through June 30, 2022. This increase in rate will not change the contract maximum obligation of \$3,111,668, due to sufficient underruns that cover the projected expenses due to the coronavirus pandemic.

Director Wagner was not present to vote on this item.

**22. Measure M2 Quarterly Progress Report for the Period of January 2021 Through March 2021**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**23. Measure M2 Environmental Mitigation Program Update**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

**24. Comprehensive Transportation Funding Programs Semi-Annual Review - March 2021**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to:

- A. Approve requested adjustments to Comprehensive Transportation Funding Programs projects, Local Fair Share, and Senior Mobility Program funds.
- B. Due to the impacts of the coronavirus, approve an exception to the Comprehensive Transportation Funding Programs Guidelines for Environmental Cleanup Program Tier I projects in order for project award delays to be granted.

Director Wagner was not present to vote on this item.

**25. Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports**

A motion was made by Director Hernandez, seconded by Vice Chair Murphy, and following a roll call vote, declared passed 16-0 to approve all 35 Orange County local jurisdictions eligible to continue receiving Measure M2 net revenues.

Director Wagner was not present to vote on this item.

**26. Regional Traffic Signal Synchronization Program Update**

A motion was made by Director Hernandez, seconded by Vice Chairman Murphy, and following a roll call vote, declared passed 16-0 to receive and file as an information item.

Director Wagner was not present to vote on this item.

## **Regular Calendar**

**27. Authorize the Issuance of Bond Anticipation Notes as a Short-Term Interim Financing to Support the Construction of the Interstate 405 Improvement Project and Selection of Underwriting Team**

Andrew Oftelie, CFO, provided an overview of the rate reset on OCTA's Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, which would lower the financing costs for the Interstate 405 (I-405) project.

Chairman Do inquired on how staff came to select the underwriters that OCTA is recommending. He also asked on what basis did staff use to make the recommendations fair.

Mr. Oftelie responded that OCTA has a board-approved list of underwriters. There was a competitive procurement that took place a few years ago that established a pool of underwriters, and staff submitted a Request for Proposal to those underwriters. The four underwriters that the staff recommended all had experience with bond anticipation notes. He stated that they brought something unique to the table to allow OCTA to get the best deal. He also noted that the more investors staff could bring to the table, the better chance that OCTA can get the lowest yields on OCTA bonds.

A lengthy discussion ensued regarding:

- The 4-3 vote the Finance and Administration (F&A) Committee took to exclude Wells Fargo Securities from recommendation C.
- What reasons were offered for the vote at the F&A Committee?
- Some concerns over past practices at Wells Fargo Securities related to the retail banking side.
- Wells Fargo Securities paid a substantial fine based on the issues on the retail banking side, which included some unsavory practices in meeting sales goals.
- OCTA would be working with the municipal underwriting team in this type of transaction, a separate bank area.
- Wells Fargo Securities was selected as the underwriters offering all the lease revenue bonds for the State of California.
- The County of Orange and other agencies use Wells Fargo Securities for refinancing.

Director Bartlett recommended that the Board add Wells Fargo Securities into the recommendations and include the four underwriters on the team as intended in recommendation C and as OCTA moves forward through the Bond Anticipation Notes process.

**27. (Continued)**

James Donich, General Counsel, stated that since there were some disagreements on recommendation C, and recommendations A and B would require a two-thirds vote of the Board due to their character. In contrast, recommendations C, D, and E would require the simple majority.

Chairman Do stated the Board would vote on recommendations A and B, and for recommendations, C, D, and E, the recommendations from staff have not been changed. Therefore, the vote at the F&A Committee does not alter the recommended actions. He stated that unless there is a motion to take a particular underwriter off of Recommendation C, the recommendation remains as stated in the staff report.

Mr. Donich responded that as it stands, the recommended actions that are before the Board right now are the ones listed in the staff report. Those are staff's recommendations for C and D to have the four teams as OCTA's underwriting pool. He stated that the way OCTA's committee structure works is that the committees do not pass anything. The transmittal included with the Board agenda packet from the F&A Committee was the recommendation on a 4-3 vote to limit the underwriting team and exclude Wells Fargo Securities.

Director Hennessey made a substitute motion to approve recommendations C and D without Wells Fargo Securities

Director Delgleize inquired if having Wells Fargo Securities on OCTA's underwriting team would cause any issues.

Mr. Oftelie responded that the short answer is that he does not think so. He stated that staff recommended including Wells Fargo Securities on the team because it gives OCTA the best chance. Also, Wells Fargo Securities was banned by several municipal entities after all of the allegations came to light. However, they have been reinstated by almost all of those agencies, most notably the State of California. He also noted that Wells Fargo Securities has very active in the marketplace of buying and selling bonds. For example, OCTA looked at the last five BAN issuances related to TIFIA loans, and Wells Fargo Securities was on three of those five transactions.

Mr. Oftelie also stated that staff considered it positive when staff tried to figure out who should be on the team. Wells Fargo Securities has direct recent and relevant experience in this exact type of transaction, which is why staff recommend them to be a part of the team.

**27. (Continued)**

Mr. Donich stated that the motion made by Director Hennessey includes changes to recommendation C. If the Board were to move forward and the motion were to fail, the issuance of the notes would fail as well. Therefore, he suggested that the Board take recommendations A and B separately to move forward and then consider recommendations C, D, and E.

A motion was made by Director Hennessey, seconded by Director Foley, and following a roll call vote, declared passed 16-0 to:

- A. Authorize the issuance of Bond Anticipation Notes as a short-term interim financing to support the construction of the Interstate 405 Improvement Project.
- B. Authorize staff to utilize a third-party bridge loan pending issuance of the Bond Anticipation Notes if to do so will generate additional savings over using cash to repay the 2017 Transportation Infrastructure Finance and Innovation Act Loan.

Director Wagner was not present to vote on this item.

The DCOB noted that the COB Department received public comment on June 11, 2021, at 5:19 p.m., from Michael Engelbrecht of Wells Fargo Securities. Mr. Engelbrecht's comment was emailed to the Board of Directors on June 12, 2021, at 11:46 a.m. Accordingly, the comment would be retained as part of the record for today's Board meeting.

A substitute motion was made by Director Hennessey and seconded by Director Foley to exclude Wells Fargo Securities from Recommendation C. Following the roll call vote, the substitute motion failed by a 3-12 vote.

Director Harper abstained from voting on this item.

Chairman Do, Vice Chairman Murphy, Directors Bartlett, Chaffee, Delgleize, Goodell, Hernandez, Jones, Muller, Nguyen, Shaw, and Sidhu voted in opposition.

Director Wagner was not present to vote on this item.



**27. (Continued)**

A motion was made by Director Delgleize, seconded by Director Hernandez, and following a roll call vote, declared passed 13-2, to:

- C. Authorize the issuance of Bond Anticipation Notes as a short-term interim financing to support the construction of the Interstate 405 Improvement Project.
- D. Authorize staff to utilize a third-party bridge loan pending issuance of the Bond Anticipation Notes if to do so will generate additional savings over using cash to repay the 2017 Transportation Infrastructure Finance and Innovation Act Loan.
- E. Authorize the selection of Bank of America Securities, Barclays Capital, Inc., Citigroup Global Markets, Inc., and Wells Fargo Securities, from the Orange County Transportation Authority's underwriting pool, to assist with the issuance.
- F. Authorize the selection of Bank of America Securities and Barclays Capital, Inc., from the Orange County Transportation Authority's underwriting pool, to serve as the senior manager and co-senior manager, respectively, for the issuance.
- G. Direct staff to return to the Board of Directors for approval of the financing documents required to execute the closing of the transaction.

Director Harper abstained from voting on this item.

Directors Hennessey and Sarmiento voted in opposition.

Director Wagner was not present to vote on this item.

**28. Establishment of Interstate 405 Improvement Project Custody Subaccounts**

Robert Davis, Department Manager of Treasury and Public Finance, provided a PowerPoint presentation on the 2017 Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project. The Orange County Local Transportation Authority is required to secure a line of credit to show committed local funds to the project. However, rather than continuing to use a line of credit to show committed local funds to the project, the staff is proposing to set aside \$500 million of Measure M2 funds to show committed local funds, which could save the agency approximately \$3.4 million over the next two years.

**28. (Continued)**

A motion was made by Vice Chairman Murphy , seconded by Director Delgleize, and following a roll call vote, declared passed 13-0 to:

- A. Approve by resolution authorizing the establishment of a subaccount to be used solely to pay for the Interstate 405 Improvement Project.
- B. Approve the establishment of one or more Interstate 405 Improvement Project custody subaccounts.
- C. Approve the use of \$500 million of Measure M2 funds to fund the Interstate 405 Improvement Project custody subaccounts no later than June 28, 2021.
- D. Restrict withdrawals from the Interstate 405 Improvement Project custody subaccounts to be made solely for Interstate 405 Improvement Project construction costs.

Directors Chaffee, Foley, Hennessey, and Wagner were not present to vote on this item.

**29. Amendment to Agreement for the Design of the OC Streetcar Project**

Ross Lew, Senior Program Manager, reported on the following:

- Overview of the agreement with HNTB Corporation, which has provided design support during the construction of the OC Streetcar project.
- An amendment to the agreement is necessary for additional design support services.
- The budget for the construction support services would be depleted by the end of July, and Amendment No. 11 is required to continue services and not delay construction. The amendment will also extend the term of the agreement by six months to September of next year.

A motion was made by Director Hernandez, seconded by Director Sarmiento, and following a roll call vote, declared passed 13-0 to authorize the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-5-3337 between the Orange County Transportation Authority and HNTB Corporation, in the amount of \$2,500,000, and extend the agreement term through September 30, 2022, for continued OC Streetcar project design support services during construction. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$26,083,841.

Directors Chaffee, Foley, and Wagner were not present to vote on this item.

Director Shaw abstained from voting on this item.

## **Discussion Items**

### **30. California Transportation Plan 2050**

Due to technical difficulties with Item 1, Chairman Do introduced Item 30 before the Special Calendar.

### **31. Public Comments**

There were no Public Comments received.

### **32. Chief Executive Officer's Report**

Mr. Johnson, CEO, reported on the following:

- Measure M Annual Public Hearing -
  - Last week the independent Taxpayer Oversight Committee held its annual Measure M Public Hearing and found OCTA to comply with the ordinance for the 30th year in a row.
  - OCTA takes the role of overseeing the use of Measure M funds very seriously, and OCTA staff is pleased that the Committee determined that OCTA is keeping promises made to Orange County voters
- South Orange County Multimodal Transportation Study (SOCMTS) -
  - Mr. Johnson, CEO, reminded the Board that OCTA is hosting a series of meetings this month to get public feedback on the South Orange County Multimodal Transportation Study.
  - On June 15<sup>th</sup> at 9:00 a.m., staff will host an elected official roundtable.
  - On June 17<sup>th</sup> at 5:30 p.m., staff will host a telephone town hall.
  - The town hall will be simulcast in Spanish, and a recording of the presentation will be made available on OCTA's website following the meeting.
  - On June 23<sup>rd</sup> at 9:00 a.m., OCTA is hosting a stakeholder roundtable. In addition, OCTA is promoting an online survey and has launched a virtual meeting room for people to learn more about the study. It will remain open through July 12<sup>th</sup>. For more information, please visit [octa.net/southocstudy](http://octa.net/southocstudy).

### **33. Directors' Reports**

There were no Directors' Reports.

Chairman Do thanked OCTA staff, General Counsel, and Mr. Johnson, CEO, for prepping the Board in advance, considering the very heavy Agenda today.

**34. Closed Session**

There were no Closed Sessions scheduled.

**35. Adjournment**

The meeting adjourned at 10:59 a.m.

The next regularly scheduled meeting of this Board will be held **at 9:00 a.m. on Monday, June 28, 2021**, at the Orange County Transportation Authority Headquarters, Board Room - Conference Room 07-08, 550 South Main Street, Orange, California.

ATTEST:

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Gina Ramirez  
Deputy Clerk of the Board

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Andrew Do  
Chairman