



July 12, 2021

To: Members of the Board of Directors 
From: Andrew Do, Chairman of the Board of Directors
Darrell E. Johnson, Chief Executive Officer 
Subject: 2021 Board of Directors and Chief Executive Officer Initiatives and Action Plan – Mid-Year Report

On January 25, 2021, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the 2021 Board and Chief Executive Officer's (CEO) Initiatives (Attachment A) and Action Plan (Attachment B). The Action Plan consists of three Board initiatives broken down into nine CEO initiatives to be monitored through 96 milestones throughout the calendar year. This mid-year report summarizes OCTA's progress on advancing these initiatives between January 1, 2021 and June 30, 2021. At the conclusion of the second quarter, 30 of the 32 milestones planned for completion by mid-year have been completed. Another 64 milestones are scheduled for completion during the second half of the calendar year, some of which have been completed early. Highlights of these accomplishments are provided below.

Board Initiative: Financial Stewardship, Sustainability, and Resilience

OCTA prides itself on its ability to consistently demonstrate strong fiscal responsibility and deliver on its promises to Orange County taxpayers. As such, OCTA is dedicated to maintaining a solid financial position in order to uphold its commitment to voters to provide beneficial transportation improvements. OCTA also promotes and implements innovative ideas and technology that help daily commutes and create a more resilient OCTA.

- **Federal Obligation Authority Plan:** OCTA is responsible for programming Orange County's annual apportionment of federal Surface Transportation Block Grant (STBG) funding and Congestion Mitigation and Air Quality Improvement (CMAQ) Program funding. To support the successful delivery of projects and to meet the federal requirements to utilize apportionment and obligation authority each year, staff conducts annual reviews of projects which are required to receive federal authorization for a given year. Additionally, staff strives to maximize available federal funding opportunities by identifying and leveraging multiple funding sources. On February 8, 2021, OCTA provided a Capital Programming Update to the Board, which included information and recommended actions regarding STBG and CMAQ funding for various transit projects. The Board approved

OCTA's funding recommendations ensuring the maximization of federal funds for OCTA projects and that OCTA maintains federal funding budget authority.

- **Enterprise Asset Management (EAM) System Replacement:** On February 22, 2021, the Board approved the selection of 21Tech, LLC as the firm to implement and support a new EAM system. OCTA owns and maintains various assets that are managed under an EAM system which no longer meets the business needs. The selected firm will replace the current EAM system with modern software to meet current and future asset management needs.
- **Comprehensive Business Plan (CBP):** The CBP is updated on an annual basis to lay the foundation for future financial planning and demonstrate the financial feasibility of OCTA programs and services over a 20-year horizon. Although originally scheduled to set at the end of 2020, completion of the fiscal year (FY) 2020-21 CBP was carried over to 2021. This allowed for additional considerations resulting from the unprecedented impacts of the coronavirus (COVID-19) pandemic on funding sources that support OCTA programs and services. On April 26, 2021, the Board approved and adopted the FY 2020-21 CBP, ensuring the financial feasibility of OCTA's programs and services.
- **OCTA's Operating and Capital Budget:** The Board approved the FY 2021-22 budget on June 14, 2021. The \$1,267.1 million budget represents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County.
- **Measure M2 (M2) Environmental Mitigation Program (EMP):** As part of the M2 Program, the EMP helps to mitigate specific environmental impacts of the 13 M2 freeway improvement projects in exchange for streamlined project approvals. To ensure OCTA fulfills its mitigation requirements and monitors progress, an annual report is prepared on the implementation process. A biannual status report of the EMP was presented to the Board on June 14, 2021.

Board Initiative: Reliable, Accessible, and Balanced Transportation Choices

OCTA strives to keep Orange County moving by providing balanced mobility solutions that enhance service quality and advance the M2 improvement projects to transit, streets and roads, and freeways. Through public outreach efforts, OCTA prioritizes engagement with communities in diverse and underserved areas to ensure there are accessible options for those who rely on public transportation to meet their mobility needs.

- **Next 10 Delivery Plan (Next 10 Plan):** The Next 10 Plan, which covers the FY 2020-21 through FY 2029-30 timeframe, aims to ensure OCTA fulfills its M2 commitments, maintains fiscal sustainability, and strives to deliver transportation improvement project benefits early. On December 14, 2020, an update was provided to the Board regarding the impacts of a lower sales tax revenue forecast due to the COVID-19 pandemic. The Board directed staff to conduct additional analysis and strategic planning and update the Next 10 Plan accordingly. After staff reviewed and revised the revenue assumptions and commitments, the Board approved the updated Next 10 Plan on April 12, 2021, ensuring M2 promises to voters would be upheld.
- **Anaheim Canyon Metrolink Station Improvements:** In coordination with the Southern California Regional Rail Authority and the City of Anaheim, OCTA completed plans, specifications, and cost estimate for the Anaheim Canyon Metrolink Station Improvement Project. This project will result in improvements to accommodate planned future train service and enhance on-time service and safety. The Board approved the construction agreement on March 22, 2021, and construction began following the contract execution in April 2021.
- **Bus Service Restructuring:** On April 12, 2021, the Board retained professional services to assist in developing options to restructure the OC Bus fixed-route bus system to better serve customer needs. OCTA last completed a comprehensive bus restructuring study in 2012, which resulted in changes that reallocated service from lower productivity routes to core service areas. COVID-19 impacts have significantly affected transit ridership in Orange County. Additional review is needed to restructure the OC Bus system based on recent changes in demand levels, travel patterns, and funding forecasts.
- **Future of Transit Workshop:** The transportation environment in Orange County is ever evolving. This requires OCTA to continually assess and improve transit services in response to shifts and trends related to ridership, revenue, demographics, and policies. To help guide decision making in shaping the future of transit, several studies have been conducted and are planned for the future. On May 24, 2021, the Board was provided with information on transit service types, ridership trends, and market analysis as a precursor to a second workshop on future transit planning.

- Diversity, Equity, and Inclusion: To strengthen OCTA's commitment to providing equitable public transportation and engaging with diverse and disadvantaged communities, a diversity, equity, and inclusion page was launched on OCTA.net. The webpage will allow OCTA to inventory and better communicate programs and practices in this area.

Board Initiative: Organizational Excellence and Collaboration

OCTA understands that to sustain a high-performing organization, it must invest in its staff, strengthen safety and security measures, and collaborate with local and regional partners. OCTA values its relationships both internally and externally. Ongoing efforts include maximizing workforce potential and safety, retaining a high-quality workforce, as well as engaging with stakeholders, and promoting transparency.

- College Pass Program: OCTA continues to provide enrolled community college students with a free bus pass through the College Pass Program, which initially started in 2017 with Santa Ana College. Earlier this year, OCTA expanded its College Pass Program to Cypress College, enabling enrolled students to travel on any OC Bus fixed route free of charge.
- Early Career Academy (ECA): ECA provides early career development to grow and support new professionals as they advance their careers at OCTA. The second ECA cohort of talented emerging leaders launched virtually on June 15, 2020, and graduated on March 2, 2021, concluding another successful round of the program.
- Leadership Development Academy (LDA): LDA is a senior professional development program designed to grow and support the next generation of leaders at OCTA. The fourth LDA cohort, comprised of some of OCTA's brightest professionals, launched on January 16, 2020, with 15 participants, and graduated on June 30, 2021.
- Cybersecurity: OCTA performs regular evaluations of new security technologies and trends, and follows industry best practices, such as requiring all employees to complete annual cybersecurity training. This allows OCTA to strengthen and protect OCTA's Information Systems continually. Having an effective security program has been a top priority.
- Interstate 5 Improvement Project: This project will complete Orange County's high-occupancy vehicle lane network from the San Diego County Line to Avenida Pico. In March 2021, the environmental phase work began, and OCTA is collaborating with the California Department of Transportation to further advance this project.

The timetable adjusted milestones are summarized in Attachment B. Schedule adjustments were necessary for two milestones to accommodate delays in coordination with external agencies and allow for more time to integrate stakeholder feedback further.

In addition, OCTA has confirmed an additional two milestones planned for the fourth quarter will be carried over and reconsidered for 2022.

- Originally scheduled to be received before the end of 2021, delivery of the first OC Streetcar vehicle will no longer be feasible due to delays in manufacturing. However, OCTA does anticipate that the assembly of all vehicles will be completed by the end of this year and that this delay will not impact the overall project schedule.
- The Interstate 405 Improvement Project continues to make progress with the construction, widening, or replacement of 18 bridges. On May 22, 2021, the project achieved a significant milestone with the opening of the Magnolia Street bridge, which brought the project to being more than halfway complete. Following the Magnolia Street bridge, it was anticipated that the Goldenwest Street bridge would also fully open by the end of this year. However, due to a significant amount of contaminated soils being present at the construction location, mitigation was required delaying progress. As a result, completion and opening of the Goldenwest Street bridge is now anticipated in June 2022.

Quarterly progress reports on the Action Plan will continue to be presented to the Board. OCTA is committed to proactively and strategically addressing the immediate needs of the public and agency employees to keep Orange County moving. Please let me know if you have any questions or contact Darrell E. Johnson, CEO, at (714) 560-5343.

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Attachments